



Clearer Skies to Sustainability

Aviation Capital Group
Environmental, Social and Governance Report 2024





Contents

Who We Are

- 03 CEO Statement
- 04 Our Company
- 05 Our Leadership
- 06 Our Parent

Our ESG Approach

- 10 ESG Strategy

Environmental

- 14 Climate Action & Carbon Management
- 24 Sustainable Aviation & Innovation

Social

- 28 Talent Attraction & Retention
- 30 Employee Health & Wellbeing
- 33 Diversity, Equity & Inclusion
- 37 Industry Partnerships
- 42 Corporate Social Responsibility

Governance

- 49 Board of Representatives
- 52 Business Ethics & Compliance
- 58 Cybersecurity & Data Privacy

- 60 Appendices



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

About this Report

This Environmental, Social, and Governance Report (this “Report”) covers the 2024 financial year from January 1, 2024, to December 31, 2024, unless otherwise noted.

This Report is our fourth annual report and covers Aviation Capital Group LLC, including its consolidated subsidiaries.

This Report is prepared in reference to standards set out by the Global Reporting Index (“GRI”). Pages 61 - 64 provide the applicable GRI standards.



CEO Statement



This year marked a significant evolution in our ESG journey. We introduced a structured, ten-point ESG Action Plan, which now serves as the foundation of our efforts.

Thomas G. Baker Chief Executive Officer & President

On behalf of Aviation Capital Group (“ACG”), I am proud to present this update on our Environmental, Social, and Governance (“ESG”) initiatives, showcasing the progress we’ve made in embedding sustainability, social responsibility, and sound governance into every facet of our business.

There’s a saying: “If you want to go fast, go alone. If you want to go far, go together.” At ACG, this sentiment resonates deeply as we reflect on our collective progress in 2024. Throughout the year, our ESG initiatives have been driven by collaboration with our employees, industry partners, and the communities we serve, all focused on building a more sustainable and inclusive future for aviation.

In 2024, ACG introduced a structured, ten-point ESG Action Plan, which now serves as the foundation of our efforts. The plan, developed following our sustainability materiality assessment, ensures that our initiatives are aligned with the priorities of our stakeholders, including customers, investors, employees, and regulators.

Among our key achievements in 2024 was the successful completion of ACG’s inaugural \$550 million sustainability-linked loan. This financing is directly tied to two of our sustainability Key Performance Indicators (“KPIs”) - increasing the share of new generation aircraft in ACG’s fleet and reducing the carbon intensity of our fleet. We are proud that this deal was recognized as the Aviation 100 Sustainable Finance Deal of the Year, reinforcing ACG’s leadership in sustainability initiatives.

In parallel, we increased our investment in modern, fuel-efficient aircraft technology with our order for an additional 35 Boeing 737 MAX jets. This order reflects ACG’s ongoing commitment to reducing emissions and supporting the aviation sector’s net-zero goals. These aircraft offer greater fuel efficiency and reduce carbon emissions by 20% compared to the airplanes they will replace, underscoring our efforts to decarbonize our fleet.

Our focus on ESG extends beyond environmental initiatives to include governance and social responsibility. In 2024, we implemented our ESG program management tool, enabling us to track progress on our ESG goals with greater transparency and accountability. We also prioritized employee engagement and training, achieving a 100% employee completion rate of Aircraft Leasing Ireland’s (“ALI”) inniu eLearning sustainability program.

Beyond our efforts to help make our business and global aviation more sustainable, ACG also strives to support the communities in which we live and work. Through partnerships with organizations like Special Olympics Southern California and Families Forward OC, our employees came together to give back in meaningful ways, from supporting charity events to providing meals and gifts to families in need during the holiday season. These initiatives reflect our ongoing commitment to corporate social responsibility and community engagement.

As we move forward, ACG’s ESG strategy will continue to guide the way we manage our business. Together with our partners, employees, and stakeholders, we remain focused on driving progress and shaping a sustainable future for aviation, one that prioritizes innovation, inclusion, and environmental stewardship.

We thank all those who have contributed to ACG’s ESG progress and look forward to the journey ahead.

Thomas G. Baker
Chief Executive Officer & President



Our Company

ACG is a premier global full-service aircraft asset manager focused on building long-term partnerships with, and value creation for, our airline customers and investors.

For more than 35 years, ACG has established itself as a trusted industry leader in aircraft leasing. Building on this proven track record, ACG continues to forge new paths by providing dynamic solutions to airlines and investors worldwide.



<p>Scale Player</p> <p>496 owned, managed and committed aircraft</p>	<p>Liquid Assets</p> <p>97% narrowbody fleet composition¹</p>	<p>Significant Unencumbered Assets</p> <p>\$11.6B unencumbered assets²</p>
<p>Young Fleet</p> <p>6.2yrs weighted average fleet age³</p>	<p>Strong Diversification</p> <p>85 airline customers across 45 countries⁴</p>	<p>Strong Investment Grade Ratings</p> <p>Baa2 MOODY'S BBB- S&P Global Ratings</p>
<p>Transitioning to New Technology</p> <p>69% of our owned and committed aircraft are New Technology⁵</p>		



Our Leadership

Our management team has decades of experience navigating the unique challenges and demands of investing in, and leasing commercial aircraft globally. We listen carefully to airline customers' challenges and goals, and work with them to design and implement unique fleet solutions to successfully deliver, or finance the right aircraft for their fleets.



Mahoko Hara
Executive Chair



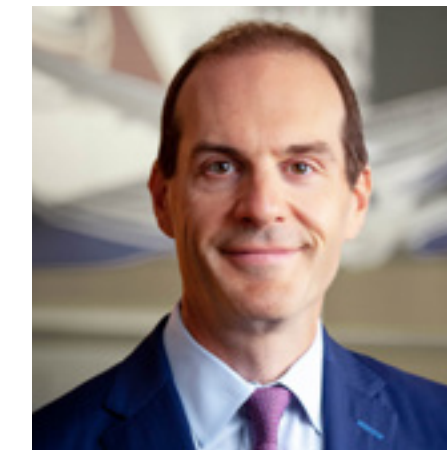
Thomas G. Baker
Chief Executive Officer
& President



Craig Segor
Executive Vice President
& Chief Financial Officer



Carter White
Executive Vice President
& Chief Commercial Officer



James A. Zembrzuski
Executive Vice President,
General Counsel & Secretary



Robert Downes
Senior Vice President
& Chief Investment Officer



Alan Godson
Senior Vice President
& Chief Technical Officer



Takamasa Marito
Executive Vice President



Our Parent

ACG is a subsidiary of Tokyo Century Corporation, a globally diversified leasing and finance conglomerate.

Tokyo Century's commitment to sustainability is driven by its pursuit of continued sustainable development and increased corporate value alongside its stakeholders as a financial services company, thereby contributing to the creation of an environmentally sound, sustainable economy and society.

In promoting sustainability management, Tokyo Century envisions a society 10 to 20 years into the future, while considering the United Nations Sustainable Development Goals ("SDGs"), and adopts a backcasting approach to develop financial services that will meet the needs of that future.



Resolution of Social Issues Together with Stakeholders

Identify Key Social Issues

- Steadily address materiality (key issues) based on the SDGs
- Continuously identify trends in society from a medium to long-term perspective and take specific initiatives to resolve issues

Strengthen Engagement

- Enhance disclosure of non-financial information
- Strengthen stakeholder engagement

Strengthen Internal Base

- Improve systems for promoting sustainability
- Practice effective risk management
- Develop human resource infrastructure (diversity, workstyle reforms, etc.)
- Implement corporate governance systems, etc.

Exercise Strengths in Five Operating Segments to Resolve Issues

- Maintain high degree of expertise
- Utilize "Finance x Services x Business Expertise" concept
- Develop global network
- Collaborate with prime partners
- Build solid customer base

Increase Corporate Value

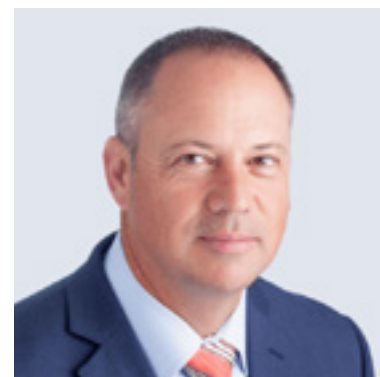
Achieve Sustainable Growth



Harnessing ESG principles,
we unite to shape a sustainable
aviation future, creating value for
stakeholders and communities.

Gordon Grant Vice President, Head of ESG

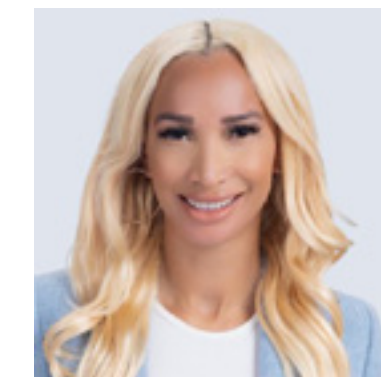
ESG Working Group



Gordon Grant
Vice President, Head of ESG



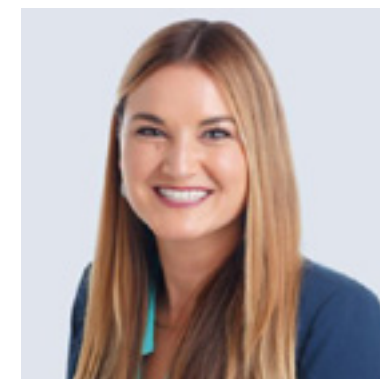
Rakhal Bhalla
Vice President, Head of
Tax & Chief Compliance
Officer



Fadhila Davis
Director, Procurement



Robert Kitchener
Assistant Vice President,
New Aircraft Management



Rachael Poupis
Attorney



Tyler Robinson
Assistant Vice President,
Risk Management



Yoshisuke Serizawa
Director, Executive Office



Ryo Yoshida
Managing Director,
Executive Office



Our Integrated Strategy

Our ESG Approach

Climate Action & Carbon Management

Sustainable Aviation & Innovation

Talent Attraction & Retention

Employee Health & Wellbeing

Diversity, Equity & Inclusion

Industry Partnerships

Corporate Social Responsibility

Business Ethics & Compliance

Cybersecurity & Data Privacy



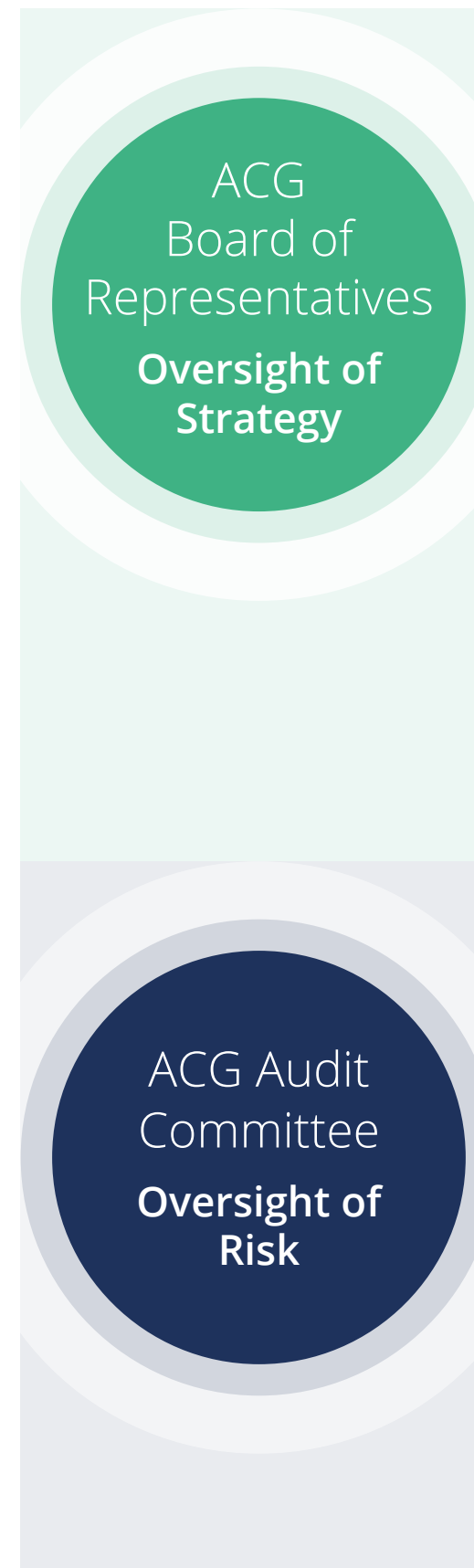
Our ESG Approach



ESG Strategy

In today's rapidly evolving business landscape, the integration of ESG principles is not just a corporate responsibility but a strategic imperative. In 2023, as part of our sustainability strategy development, we completed our inaugural materiality assessment, identifying the sustainability topics, responsibilities, risks, and opportunities most critical to us. The purpose of this assessment was to help us prioritize sustainability topics, respond to stakeholder expectations, and focus on areas where we can generate the most value. Building on the insights gained from our materiality assessment, we identified 10 critical topics that became the cornerstone of our ESG Action Plan. These topics were carefully selected to address the most significant environmental, social, and governance issues impacting our business and stakeholders.

By focusing on these key areas, we are equipped to drive meaningful progress, enhance our long-term resilience, and continue to align our operations with global sustainability standards. This comprehensive approach allows us to proactively manage risks, seize opportunities, and deliver value in a rapidly changing world.



ESG Governance and Oversight

Effective governance and oversight of our ESG strategy, execution, and reporting are critical for a successful ESG program.

First Line of Defense Management

Senior Leadership Team

ESG Leader

ESG Working Group

- Senior Leadership Team owns strategy and execution, and presents ESG initiatives and updates to the Board
- ESG Leader is responsible for oversight and execution of the ESG initiatives and reporting, including adequate internal controls
- ESG Working Group develops and implements ESG initiatives and reporting

Second Line of Defense Risk Management

Enterprise Risk Management

- Responsible for monitoring ESG risks
- Responsible for driving accountability
- Responsible for providing guidance to the business

Third Line of Defense Internal Audit

Internal Audit Team

- Responsible for providing independent assurance on the effectiveness of risk management and controls



Stakeholder Engagement

We deeply appreciate the diverse perspectives of our internal and external stakeholders, which have played a crucial role in shaping our sustainability strategy and guiding its implementation.

Engaging with our stakeholders is fundamental to our approach in addressing their expectations. Their valuable feedback informs our decisions, helps us mitigate potential negative impacts on society and the environment, and enables us to identify emerging issues that could pose significant risks to our business.

Throughout 2024, our engagement continued through both formal and informal channels, including regular meetings with stakeholders, attending conferences, conducting employee surveys, and participating in industry associations.





Stakeholder Engagement Approach

Stakeholder	How We Engage	Engagement Focus
Shareholder	ACG’s Senior Leadership Team maintains regular and direct communication with our shareholder, Tokyo Century, via calls and face-to-face meetings. Detailed updates are provided to our Board of Representatives (the “Board”) at our quarterly Board meetings.	<ul style="list-style-type: none"> Financial and operating performance Governance and compliance Regulatory and policy updates Market trends and industry updates ESG risk and opportunities Emissions reporting
Airline Customers	Our global marketing team has regular interaction with airline customers via calls, virtual meetings, and frequent face-to-face engagements. We actively engage with our customers at industry conferences throughout the year to strengthen relationships.	<ul style="list-style-type: none"> Fleet planning New technology developments Lease negotiations Sustainable product choices Sustainable Aviation Fuel
Original Equipment Manufacturers (“OEMs”) & Suppliers	ACG fosters strong partnerships with our OEMs and suppliers through consistent communication and collaboration. Regular interaction via calls, virtual meetings, and frequent face-to-face meetings are conducted throughout the year.	<ul style="list-style-type: none"> Supply chain management Aviation decarbonization New technology advancement Fuel-efficient aircraft Noise pollution Sustainable Aviation Fuel
Employees	<p>Quarterly town hall meetings are held throughout the year. All employees together with their managers go through the performance review process and layout goals for the next calendar year.</p> <p>Employee appreciation events and social gatherings are held throughout the year.</p>	<ul style="list-style-type: none"> Financial and operating performance Market trends and industry updates Employee development Health and well-being Sustainability initiatives Diversity and inclusion Ethical culture
Lenders / Finance Providers	Our capital markets team holds regular calls and meetings with finance providers and investors. Quarterly financial statements and investor presentations are published on ACG’s website.	<ul style="list-style-type: none"> Company performance updates Industry outlook Debt financings Sustainability linked financings ACG portfolio & strategy
Rating Agencies	Periodic business updates and ongoing credit assessments and ESG reviews are conducted throughout the year.	<ul style="list-style-type: none"> Company performance updates Industry outlook Sustainability initiatives
Industry Associations	<p>ACG is committed to supporting industry associations that maintain regular engagement with governments and regulators by having active roles in Aircraft Leasing Ireland (“ALI”) and on the Board of Directors of International Society of Transport Aircraft Trading (“ISTAT”).</p> <p>ACG continues to support Diversity and Inclusion initiatives through our sponsorship of Advancing Women in Aviation Roundtable (“AWAR”) and our ACG - ISTAT Foundation D&I Fund.</p>	<ul style="list-style-type: none"> Industry support for net-zero carbon emissions by 2050 Industry partnerships Diversity and inclusion strategy Development of training materials Developing talent in the industry Sustainable Aviation Fuel and hydro-gen propulsion Aircraft recycling Company-sponsored memberships
Local Community	Through our corporate social responsibility team - ACG’s Helping Hands – ACG participates in regular community and fundraising events throughout the year.	<ul style="list-style-type: none"> Employee volunteering Crisis relief Charitable contributions



Climate Action & Carbon Management



Climate Action & Carbon Management

Net Zero by 2050

In 2021, the International Air Transport Association (“IATA”) launched the “Fly Net-Zero” initiative which commits the airline industry to achieving net-zero carbon emissions from their operations by 2050.⁶ The Fly Net-Zero initiative outlines four key strategies to achieve this:

- **Sustainable Aviation Fuel (“SAF”)**
Increasing the use of SAF, which can reduce emissions by up to 80% compared to conventional jet fuel.
- **New Technologies**
Investing in next-generation aircraft and propulsion systems, including electric and hydrogen-powered planes, to reduce emissions.
- **Improved Operations**
Implementing more efficient flight operations, air traffic management, and infrastructure to cut fuel consumption and CO₂ emissions.
- **Carbon Offsetting**
Where emissions cannot be eliminated, use carbon offsetting and capture technologies, like carbon removal, to balance their impact.

The commitment by IATA and airlines globally reflects a push to ensure that aviation remains sustainable while continuing to grow. In order to meet aviation’s environmental sustainability targets, we continue to collaborate with airframe and engine OEMs, aircraft interior suppliers, and industry bodies, working groups and innovators.





Our Owned and Committed Fleet

271 owned 171 committed ——— 305 new technology

Previous Generation

New Technology



Airbus A319ceo

1 owned



Airbus A220-300

2 owned
20 committed



Boeing 737-8 MAX

8 owned
67 committed



Airbus A320ceo

49 owned



Airbus A320neo

57 owned
6 committed



Boeing 737-9 MAX

7 owned
4 committed



Airbus A321ceo

20 owned



Airbus A321neo

51 owned
42 committed



Boeing 737-10 MAX

25 committed



Boeing 737-700

3 owned



Airbus A321neo XLR

5 committed



Boeing 787-9

6 owned



Boeing 737-800

64 owned



Airbus A350-900

3 owned
2 committed



ACG's Commitment to New Technology

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

As of December 31, 2024, we had \$7.2 billion in new technology aircraft, representing approximately 66% of the net book value of our owned fleet. This investment significantly enhances the fuel efficiency of our customers' fleets, contributing to reducing their Scope 1 emissions and reducing Scope 3 emissions for ACG.



Total Aircraft Assets⁷
\$10.8B

Narrowbody by Count
97%

Fleet Age
6.2 Years



Finalized Order for 35 737 MAX aircraft

In 2024, ACG finalized an order for 35 737 MAX jets, which included 16 737-8 and 19 of the larger 737-10 variant. Following an incremental 737 MAX order in 2023, this new purchase increased ACG's 737 MAX commitment to 96 aircraft as of December 31, 2024, as ACG grows its portfolio to meet customer demand for fuel-efficient airplanes. Both variants reduce fuel use and carbon emissions by 20% compared to the airplanes they replace. On average, each 737 MAX saves up to eight million pounds of CO₂ emissions annually and is a quieter airplane, with a 50% smaller noise footprint than the airplanes they replace.

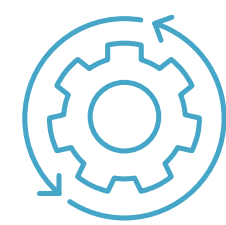




ACG's Commitment to Fleet Transformation

We not only incorporate technologically advanced aircraft into our fleet, but we also evaluate our existing fleet for technological improvements that may be made throughout the life of each aircraft. These incremental refinements contribute to a reduction in CO₂ emissions. Aircraft design and operational upgrades are the immediate paths toward enabling the aviation industry to meet the 2050 net-zero target.

ACG's Key Pillars to achieving our fleet transformation



Active Portfolio Management

We aim to continue divesting older technology assets while investing in new technology aircraft. This strategy will enable us to maintain a young, fuel-efficient fleet.



New Technology Orderbook

As of December 31, 2024, we had committed to acquiring 171 new technology aircraft worth more than \$10.4 billion. Our new technology orderbook will continue to increase the proportion of new technology aircraft in our fleet, reducing our average aircraft emissions.



Carbon Emissions

We want to play our part in supporting the industry's transition to net-zero and remain committed to working with our customers and suppliers to help reduce the carbon emissions in our value chain. As a result of our investment in the latest new technology assets, our Scope 3 Emissions intensity on a unit basis (gram of CO₂ per seat per mile) have decreased by approximately 9% since 2018.

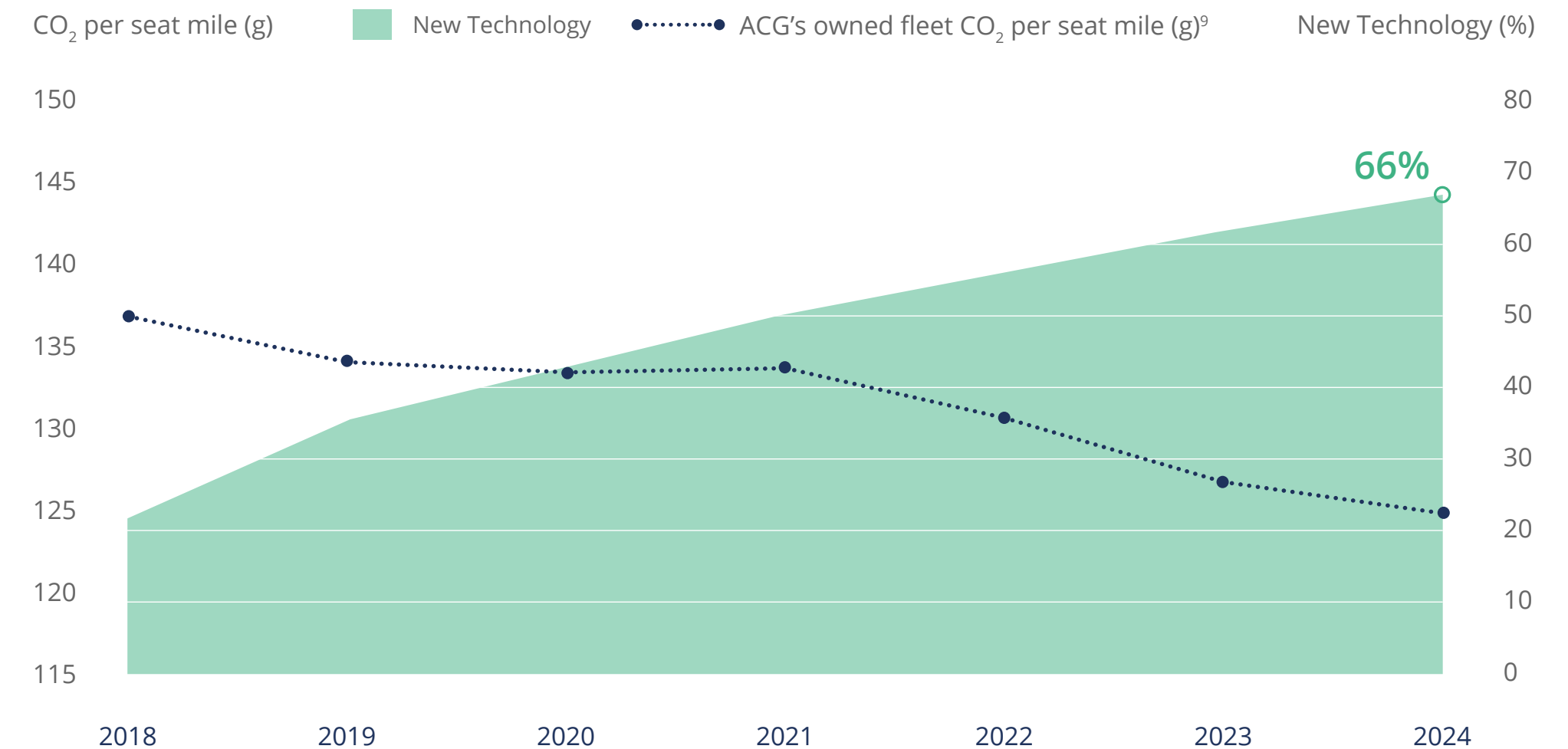
Our Scope 1, Scope 2, and Scope 3 GHG emissions

Our Scope 3 emissions from owned aircraft totaled 7,574,831 CO₂e in 2024. In this Report, we disclose our Scope 3 emissions, which make up the majority of our GHG emissions. Our Scope 1, Scope 2, and Scope 3 GHG emissions are reported to our parent, Tokyo Century Corporation, and its consolidated GHG emissions reporting can be found here:

[More information is available here](#)



ACG Fleet Transformation⁸





New Technology Aircraft

10 Supported Airlines

10 Airlines have taken their first new technology A321neo from ACG.

25 New Technology Aircraft

Throughout 2024, we continued to increase the new technology aircraft in our fleet, supporting airline operations with the latest fuel efficient and quieter aircraft.¹⁰

3 Boeing 737 MAX-9

6 Airbus A320neo

16 Airbus A321neo





Our Collaboration with Industry Stakeholders

The journey to sustainable aviation requires collaboration and participation from all stakeholders in the aviation sector. ACG regularly engages with OEMs, vendors, and suppliers, exploring concepts and technologies that may one day shape the future of aviation and the pathway to sustainability, including:



SAF Infrastructure



SAF Development



Improved Materials & Manufacturing



Product Lifecycle & End of Life Disposal



Hydrogen Infrastructure



Hydrogen Propulsion

In 2024, ACG actively participated in meetings and discussions with our suppliers and OEMs to learn about initiatives, share best practices, and discuss ESG goals. We continue to collaborate with our suppliers and OEMs, sharing the belief that engaging together is fundamental in building a more environmentally sustainable future for our industry.



Environmentally Sustainable Office Buildings

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

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



Newport Beach, USA

Newport Beach, USA

LEED Platinum

Providing a framework for healthy, energy-efficient and cost-saving green buildings.

Energy Star Partner

Saving energy in business through energy-efficient products and practices.

Hybrid Electric Collection

Advanced energy storage system which reduces peak energy demand by up to 25% and decreases overall energy costs by up to 10%.

UL Verified Healthy Building

Certifying standards for indoor air quality have been met.

Hybrid Electric Charging Points

Provide access to fast electric charging for hybrid electric vehicles.

Recycling

Proper waste management of recyclable disposals, leading to less landfill and overall environmental harm.

Go-Green

Encourages employees and partners to reduce usage of physical paper.

Dublin, Ireland

Building Energy Rating ("BER")

B2

Zero Waste-to-Landfill Policy

In line with all EU targets and best-in-class.

Energy Consumption

Electricity at the ACG Ireland office comes from 100% renewable sources.

Solar Water Heating

Singapore

Building and Construction Authority ("BCA") Green Mark Platinum Certified

Providing a framework for healthy, energy and water efficient, environmentally-friendly buildings.

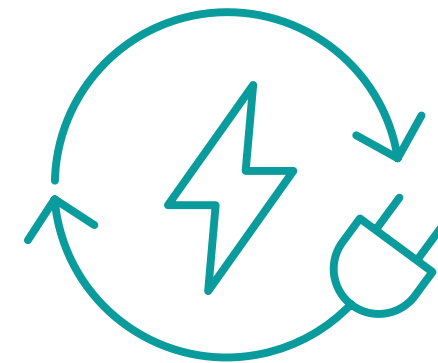
Asset Enhancement Initiative

Completed in 2024, which included more green features, lush landscaped public spaces, energy-efficient lifts and lighting, a low emissivity double-glazed external curtain wall system and parking for electric hybrid cars.



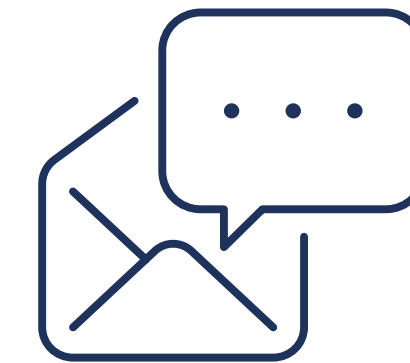
Sustainability at Work

At ACG, we recognize that sustainability begins in our immediate surroundings - our offices. As part of our commitment to ESG principles, we continue to take significant steps to reduce our environmental footprint and foster a culture of sustainability within the workplace.



IT Equipment Disposal

To ensure that our leased IT equipment is disposed of in an environmentally friendly manner, we have collaborated with our vendor, from whom we lease our IT hardware. Through this partnership, we have established a closed-loop system that facilitates the responsible disposal, repurposing, or recycling of our leased IT assets.



Going Paperless

Employees receive paperless pay slips as the automatic default and must manually elect to receive a paper copy. As part of our event management, we use an app that creates digital welcome packets, agendas, handbooks, and other informational materials to help reduce waste.



Waste Reduction

We are dedicated to minimizing office waste by reducing single-use plastics and offering compostable cutlery. There are recycling bins in all our office kitchens.



Locally Sourced Produce

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





Sustainable Aviation & Innovation



Sustainable Aviation & Innovation

Sustainable Aviation Fuel

SAF is a renewable alternative to traditional fossil-based jet fuel, designed to reduce the carbon footprint of the aviation industry. SAF is produced from sustainable feedstocks such as waste oils, agricultural residues, and non-food crops, making it a key solution for lowering greenhouse gas emissions. Compared to conventional jet fuel, SAF can reduce lifecycle carbon emissions by up to 80%, depending on the feedstock and production processes used. In the context of ESG, the adoption of SAF supports climate action goals, demonstrating a commitment to environmental stewardship and innovation in reducing the aviation sector's environmental impact.

SAF is essential to reducing the CO₂ emissions of air transport, and it supports ACG's efforts to partner with organizations to help our industry reach the goal of net zero emissions by 2050. We continue to engage with OEMs and industry bodies to explore ways of encouraging the scale-up of SAF usage across the global fleet and to receive regular updates on new technologies and infrastructure development.

All of our aircraft are capable of flying with up to a 50% blend of SAF. Both Airbus and Boeing are targeting 2030 for 100% SAF capability and certification, an important step on the path to Net-Zero.





United Airlines Ventures Sustainable Flight FundSM

In 2023, ACG invested in the United Airlines Ventures Sustainable Flight FundSM. This Fund is a way for companies and consumers to come together and increase the supply of SAF through the support of start-ups focused on decarbonizing air travel through SAF research, technology and production. This fund initially launched in February 2023 and has a total of 22 corporate partners. These corporate partners make up all parts of the aviation supply chain - aircraft lessors, airlines, aircraft and engine manufacturers, fuel producers, engineering and technology experts, financiers, travel management - and have committed more than \$200 million while collaborating to provide strategic expertise to help the fund's portfolio companies reach commercialization.



Aircraft Leasing Ireland Sustainable Aviation Fuel Research Project



ACG along with fellow lessors from Aircraft Leasing Ireland ("ALI") have partnered to fund groundbreaking research into the development and commercialization of SAF in Ireland. The four-year research project, a collaboration between Trinity College Dublin and the University of Limerick, will examine potential avenues for manufacturing SAF in Ireland. SAF will play a crucial role in achieving the aviation industry's goal of reaching net-zero emissions by 2050. To meet this objective, the European Commission has introduced legislation requiring that SAF constitutes 2% of the fuel uplifted at EU airports by 2025, gradually increasing to over 70% by 2050. However, the current SAF supply falls significantly short of the 2025 target, making the scale-up of SAF production critical.

The primary focus of the study will be to identify how Ireland can establish a sustainable and viable supply chain for SAF raw materials, while also proposing scenarios in which a substantial quantity of SAF can be produced efficiently on the island. Gordon Grant, Vice President and Head of ESG for ACG, represents the company on ALI's University Research Project Steering Committee.



Sustainable Finance

The aviation industry is under significant pressure to reduce its carbon footprint, with various environmental regulations being introduced globally. By entering into sustainability-linked financings and leases, ACG is aligning our operations with evolving regulatory requirements and demonstrating our commitment to ESG principles.

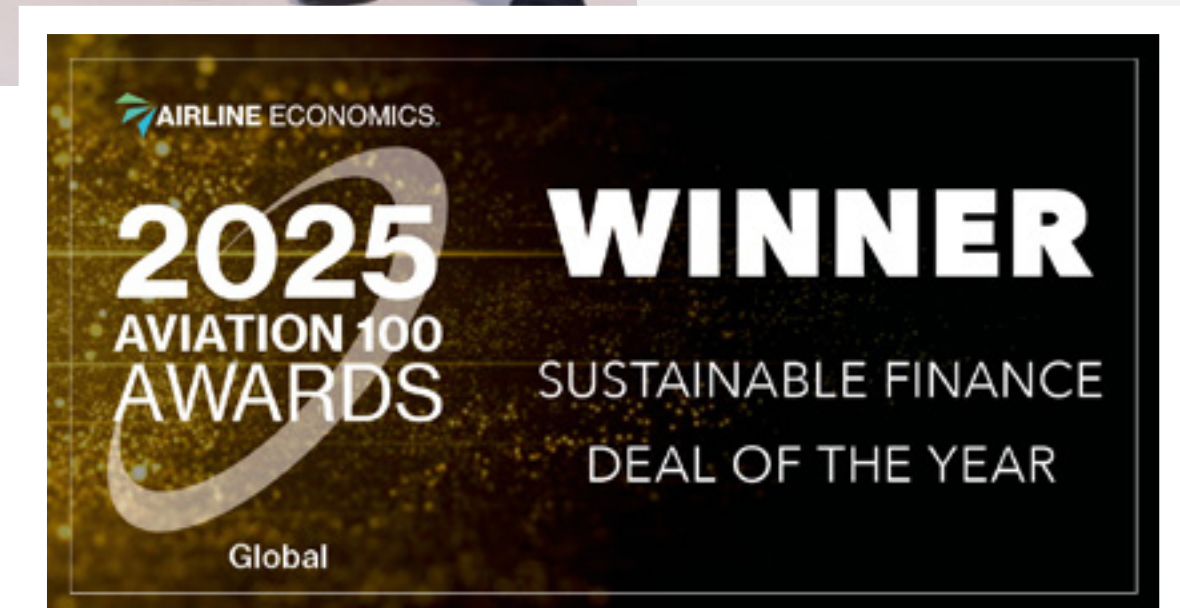
In October 2024, ACG closed its inaugural sustainability-linked loan. The \$550 million senior unsecured term loan, which matures in October 2027, was entered into with a syndicate of lenders.

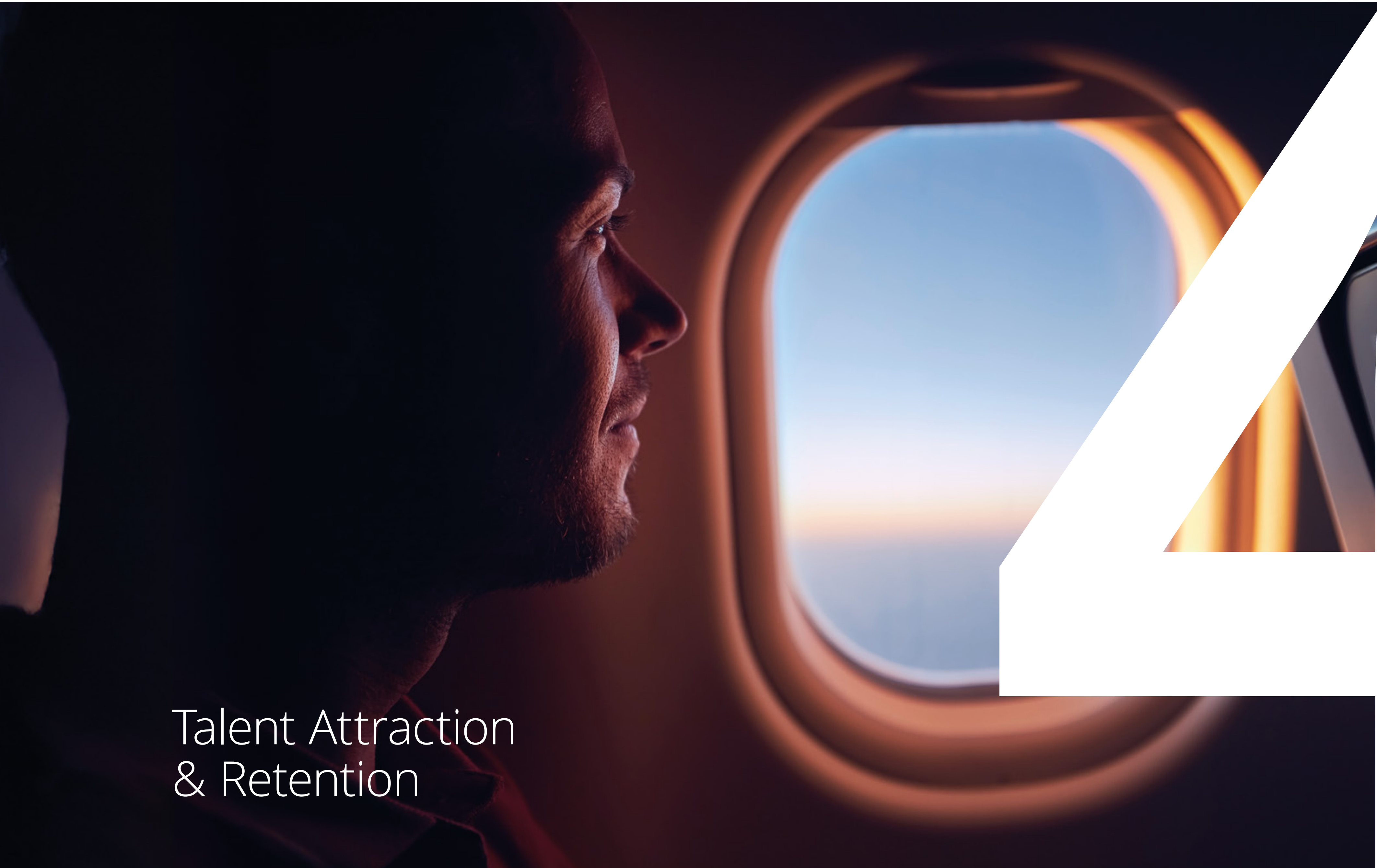
In alignment with ACG’s ESG goals, this loan contains sustainability-linked terms pursuant to which ACG will receive pricing adjustments based on its performance against two Key Performance Indicators (“KPIs”) – increasing the share of new generation aircraft in ACG’s fleet and reducing the carbon intensity of its owned fleet.



Upcycled Backpacks

In 2024, ACG repurposed upcycled leather from aircraft seats and fabric salvaged from life vests to create stylish, high-quality backpacks. These materials, after completing their initial purpose, were transformed to minimize waste and celebrate their rich history. The environmental impact is significant, as aircraft seat leather and life vests are made from durable, high-quality materials designed to withstand tough conditions. By repurposing them, we extend their lifespan, reduce landfill waste, and decrease the demand for new raw materials. This sustainable approach lowers the carbon footprint of traditional manufacturing and contributes to a circular economy.





Talent Attraction & Retention



Talent Attraction & Retention

Attracting and retaining top talent is a key priority for our organization. In 2024, we reinforced this commitment by providing employees with meaningful opportunities for professional development and transparent communication. Through a combination of new education programs, industry insights, and open forums, we aim to create an environment where our employees can thrive.

Training

We are dedicated to fostering employee growth by launching new education and development programs that support career advancement. Alongside offsite learning opportunities such as industry conferences, continued education, and presentations from business partners, our employees completed over 1,000 hours of training. This included compliance, anti-discrimination, IT, anti-harassment, and the innui ESG training program.

Town Hall Meetings

We conduct quarterly town hall meetings to discuss the company's financial performance, ESG initiatives, employee concerns (often submitted anonymously beforehand), and other important company updates.

OEM Updates

We organize regular market updates from Airbus, Boeing, and other key suppliers, inviting and encouraging all employees to participate and stay informed about the latest industry trends and developments.

Over 1,000 hours
training completed



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

Elke Vitale Assistant Vice President, Human Resources





Employee Health & Wellbeing



Employee Health & Wellbeing

Benefits

We offer a competitive benefits package designed to retain our greatest asset - our employees.

- Our comprehensive benefits include multiple options for medical, dental, and vision insurance, as well as Health Savings Accounts, Flexible Spending Accounts, Employee Assistance Programs, pet insurance, access to 529 accounts, legal assistance, identity theft protection, and employer-paid life insurance
- In addition, we support employee development through education reimbursement, coverage for professional licensing fees, career advancement opportunities, and access to thousands of online training programs
- We also provide a generous retirement plan with employer matching and discretionary contributions

Wellbeing

We offer a range of resources to help our employees maintain a healthy, balanced work environment and positive mental outlook.

- Monthly wellbeing newsletters cover topics such as alcohol awareness, mental health, and nutrition to keep employees informed and engaged in their wellbeing
- Our hybrid work-from-home (“WFH”) schedule, which includes additional WFH days during the summer, helps employees maintain a healthy work-life balance
- Our “New Parent Transition Time” provides extra WFH days to ease the transition for new parents returning to the office after maternity or paternity leave
- ACG sponsors workshops, webinars, and demonstrations focused on promoting both physical and mental health, covering topics like productivity, self-care, and meal preparation
- ACG offers an on-site flu shot clinic every autumn, offering employees a convenient way to get preventative care before the flu season starts



On-site flu shot event





The culture at ACG is friendly and collaborative. The leadership team is involved, engaged, and committed to maintaining open lines of communication. There is a real sense of trust, respect, and community amongst employees.

Morale

We prioritize employee morale to keep our team motivated and to attract and retain top talent.

- We regularly host employee appreciation events and social gatherings to foster a sense of community across the company
- Our referral program rewards eligible employees with bonuses for successful hires through their referrals
- We offer competitive salaries and maintain transparency around annual bonus targets
- We actively seek regular feedback from our employees to monitor satisfaction and ensure the wellbeing of our ACG family
- All employees receive annual performance reviews from management, supporting their growth, goal setting, and development within ACG

Supporting New Parents

ACG offers comprehensive parental leave benefits and in 2024, ACG enhanced those benefits by extending its paid maternity leave and offering all parents additional WFH days throughout the first two years of a new child's life.



Baby Nishikawa



The Berry girls



Sager family



Having the extra support during the year was critical for our family as we relocated to be closer to ACG's office and my wife started a new job. With the extra flexibility to work from home in the first few years of my son's life, I was able to support my wife and kids while we got settled in Orange County. Not missing those first steps was an added bonus.

Geoff Sager Director of Treasury



Diversity, Equity & Inclusion



Diversity, Equity & Inclusion

Diversity, equity and inclusion (“DEI”) is a key part of our business strategy and success, and we are committed to attracting and retaining a diverse workforce and fostering an inclusive culture where employees collaborate toward shared goals.

Geographic Diversity

With our headquarters in the United States, offices in Ireland and Singapore, employees across six countries, and a workforce representing various nationalities, ACG operates within diverse communities worldwide. This diversity is reflected in our workplace, as well as among our customers and suppliers.



6 Countries

of operations create a workforce of many different nationalities

6.5 Years

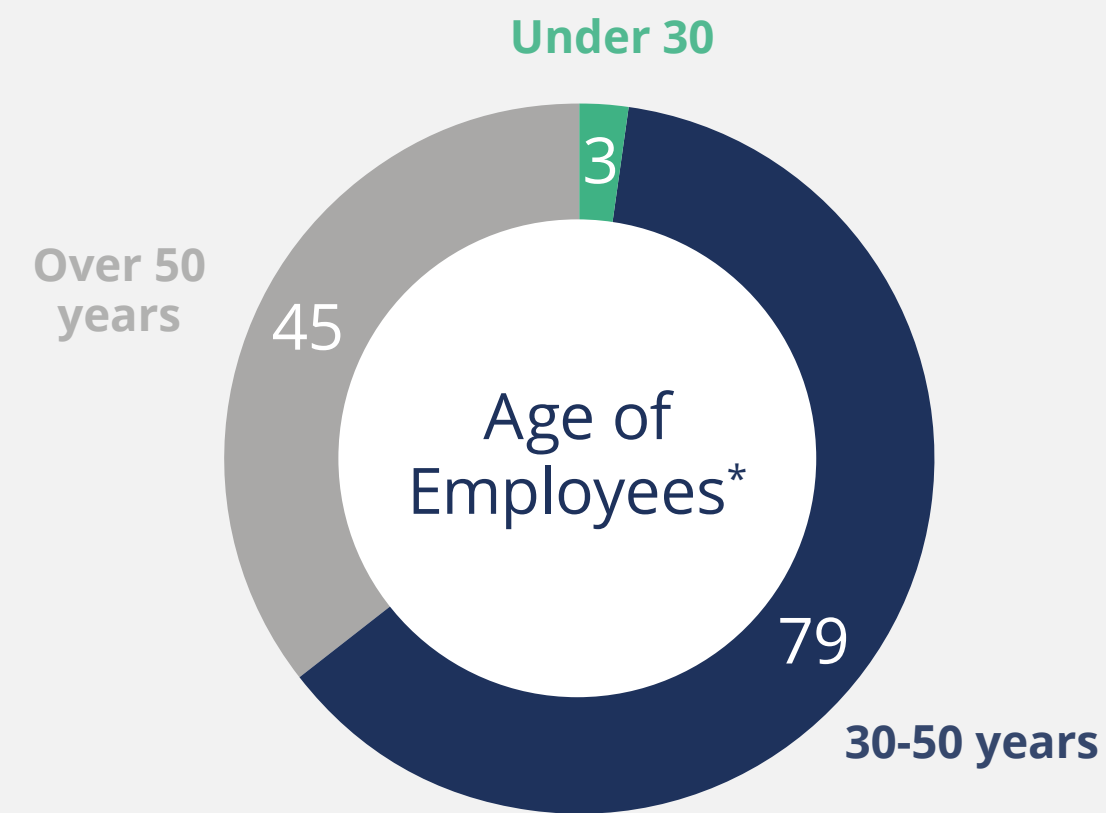
is the average time of service for our employees



Learning together

Each year ACG conducts mandatory company-wide DEI training with a purpose to focus on offering educational resources around particular DEI topics. In 2024 we achieved 100% completion rate for the training program.

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

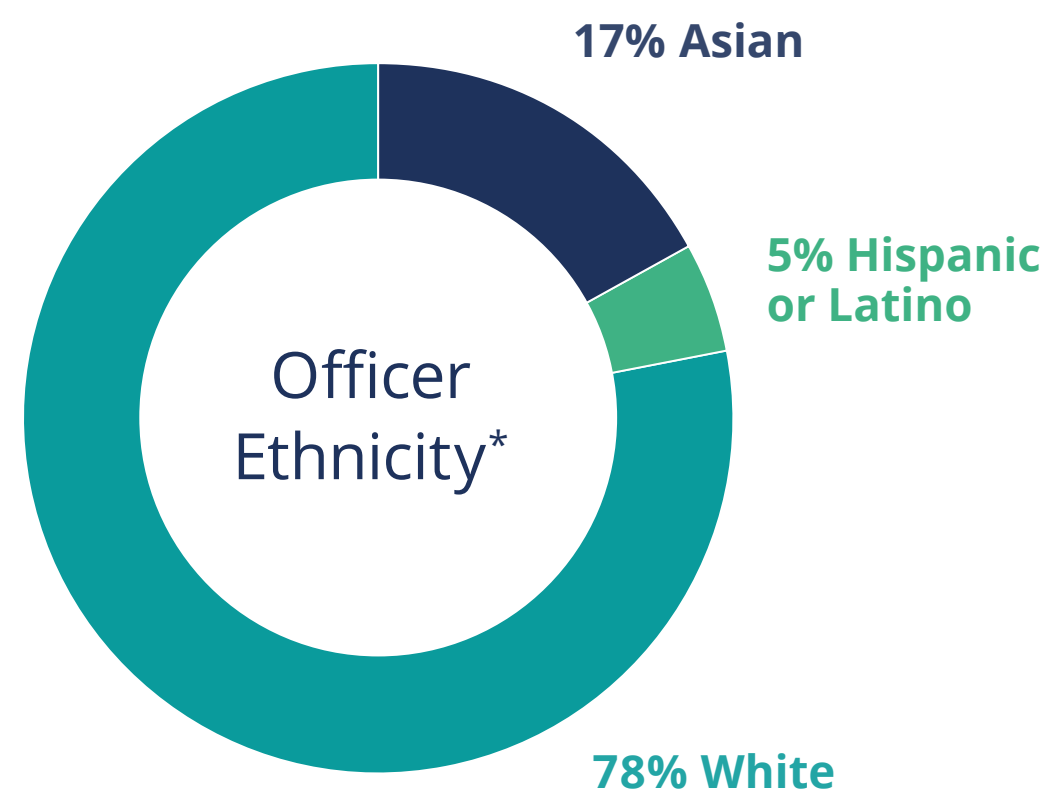
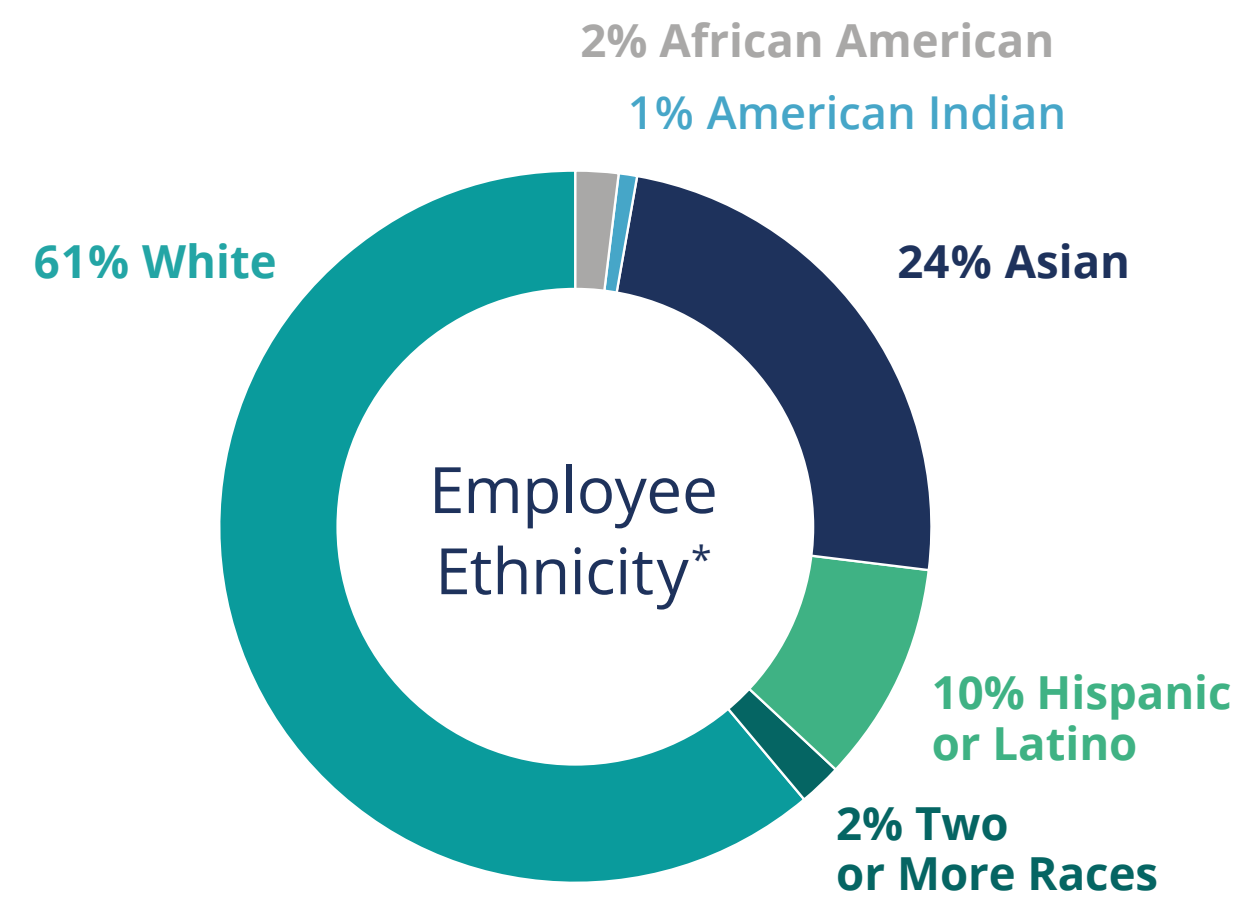


Gender Representation* ● Male ● Female

Employees %



Officers %



* Does not include secondees



Headcount & New Hires¹¹

	Employees	New Hires
US	92	10
International	35	5
Secondees	3	-



ACG - ISTAT Foundation D&I Fund

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

In June 2024, ACG and the ISTAT Foundation announced the second recipients of grants from the D&I Fund. Alex Katuso Kilwaya, who is pursuing a Bachelor of Science in Aerospace Engineering at Kenyatta University in Kenya, was awarded a scholarship that will be applied to his tuition and other educational and developmental costs.

African Leaders in Aviation, a non-profit organization based in Gauteng, South Africa, received a grant to support its “2024 Avi-STEM Summer Camps” program. The program introduces children, specifically girls, in Sub-Saharan Africa to aviation and STEM disciplines and provides skill development towards aviation-related careers. This program also aims to advocate for diversity and inclusivity in the aviation workforce.





Industry Partnerships



Industry Partnerships

Aircraft Leasing Ireland

ALI, the trade group representing Ireland's aircraft leasing industry, represents over 40 aircraft lessors and a significant portion of the global lessor-owned fleet. ALI's core strategic focus is sustainability in aviation, actively engaging in and influencing policies to achieve net-zero CO₂ emissions in aviation by 2050. ALI is dedicated to raising awareness of ESG issues within the aviation sector and supporting its members in developing their ESG strategies. The group also promotes and encourages cross-industry collaboration and investment to advance toward net-zero emissions.

ACG is an active member of ALI and continues to support the ALI Sustainability Working Group in driving various initiatives, including ALI's annual Global Aviation Sustainability Day, establishing metrics for the ALI Sustainability Charter, and funding research into the development and commercialization of SAF in Ireland. Gordon Grant, Vice President and Head of ESG for ACG, represents the company and also participates in ALI's Sustainability Education Working Group.

As part of ACG's 2024 ESG training, we utilized the eLearning platform inniu, which was launched by Aviation Skillnet. The inniu program was developed through collaboration between members of ALI and Aviation Skillnet, a business support and training provider and is promoted by the Irish

Centre for Business Excellence ("ICBE"). The goal of this partnership was to create a top-tier training program that embeds ESG practices across the aviation sector.

The name "inniu" comes from the Irish word for "today," because it is today that we need to act on our ESG responsibilities. It also emphasizes the "in you," highlighting that real change begins with each individual.

ACG supported the development of this program by contributing to two of the modules that were included in the training.

ACG is proud to report that we achieved 100% completion rate for the training program. By engaging in this course, the ACG team demonstrated a genuine interest in understanding the intricate dynamics of ESG principles and their significance in shaping our organization's approach to sustainability and ethical conduct. The willingness to invest time and effort into deepening their understanding of ESG factors highlights their commitment to driving positive change at ACG.

As part of ACG's onboarding process, all new employees are required to complete the ESG training program.



Inniu is a sustainability learning platform, developed in partnership with Aviation Skillnet and built for the aircraft leasing and broader aviation community.

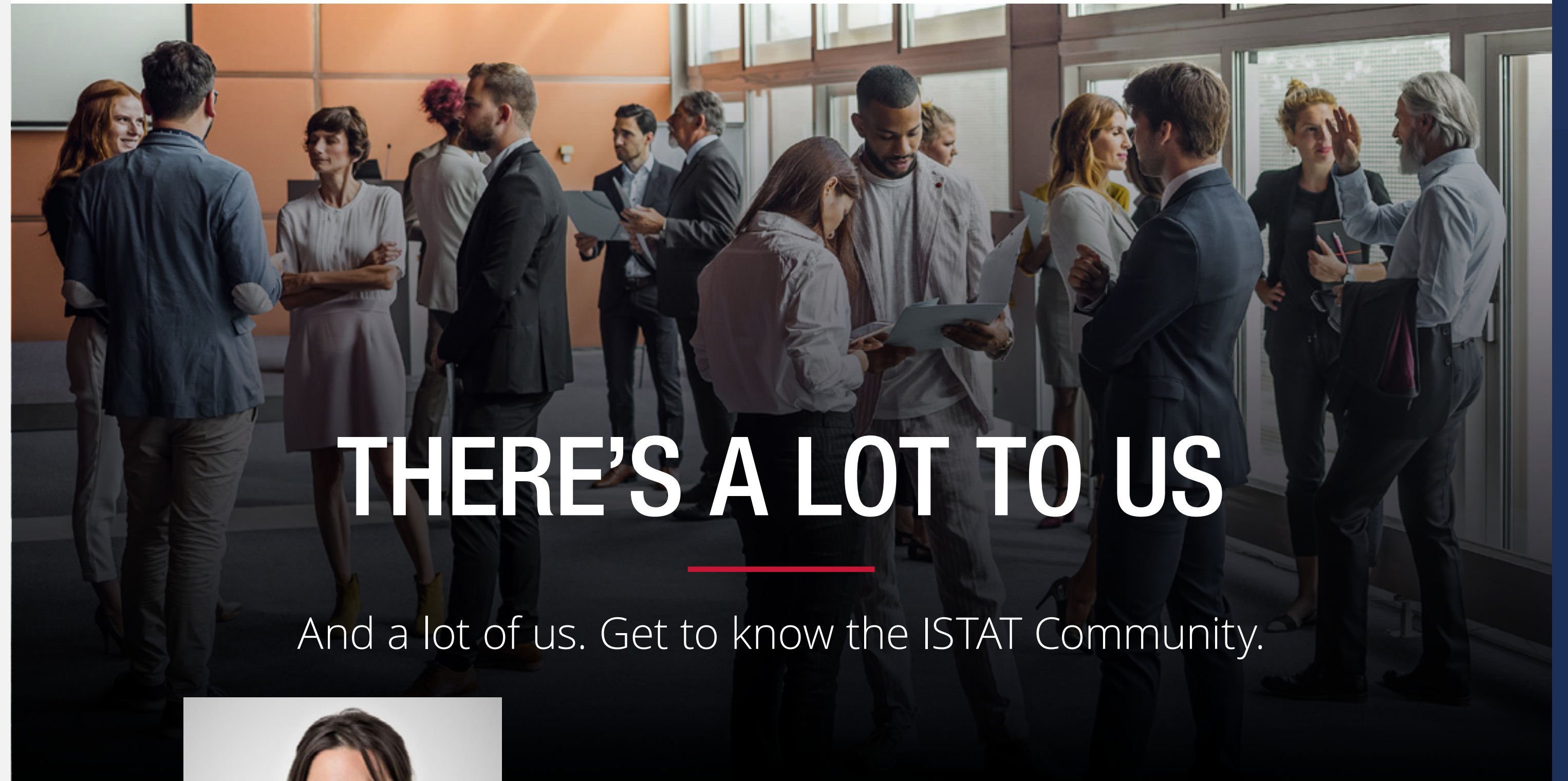


The ISTAT Foundation's Mentorship Program empowers students in the aviation industry to take their first steps toward a fulfilling career, while enabling mentors to give back to the aviation community.

International Society of Transport Aircraft Trading

The International Society of Transport Aircraft Trading ("ISTAT") is dedicated to fostering and promoting interest and educational opportunities in commercial aviation while providing a forum for those involved in aviation and supporting industries. ISTAT represents more than 5,000 members worldwide who are involved in operating, manufacturing, maintaining, selling, purchasing, financing, leasing, appraising, insuring or other activities related to the commercial aviation sector.

The ISTAT Foundation's Mentorship Program empowers students in the aviation industry to take their first steps toward a fulfilling career, while enabling mentors to give back to the aviation community. The program connects ISTAT Foundation scholarship recipients and ISTAT University students with esteemed industry executives. Marine Benoit, our Vice President of Marketing, EMEA, serves on the ISTAT Board of Directors.



THERE'S A LOT TO US

And a lot of us. Get to know the ISTAT Community.



Marine Benoit
Vice President of Marketing



The Wings Club

ACG has been a long-time member of The Wings Club, an organization committed to supporting future careers and driving innovation in aviation and aeronautics. Through The Wings Club Foundation, the organization fosters opportunities for individuals to pursue education in aviation, provides educational programs in the field, and supports charitable organizations that use aviation to assist those in need. ACG's membership reflects its dedication to advancing the aviation industry and supporting initiatives that promote education, innovation, and philanthropy.



Aviation Working Group

The Aviation Working Group ("AWG") is a not-for-profit legal entity comprised of major aviation manufacturers, leasing companies, and financial institutions that contributes to the development of policies, laws, and regulations that facilitate advanced international aviation financing and leasing. In recent years, AWG has also focused on advancing sustainability in aviation, working on the legal and regulatory dimensions of environmental and ESG issues, particularly around aircraft emissions and the adoption of sustainable practices.

To date, the AWG has developed a free-to-use carbon emissions calculator and is actively engaged with the European Union on green financing and taxonomy within the aviation sector.

ACG plays a prominent role in the AWG and its various ESG initiatives.





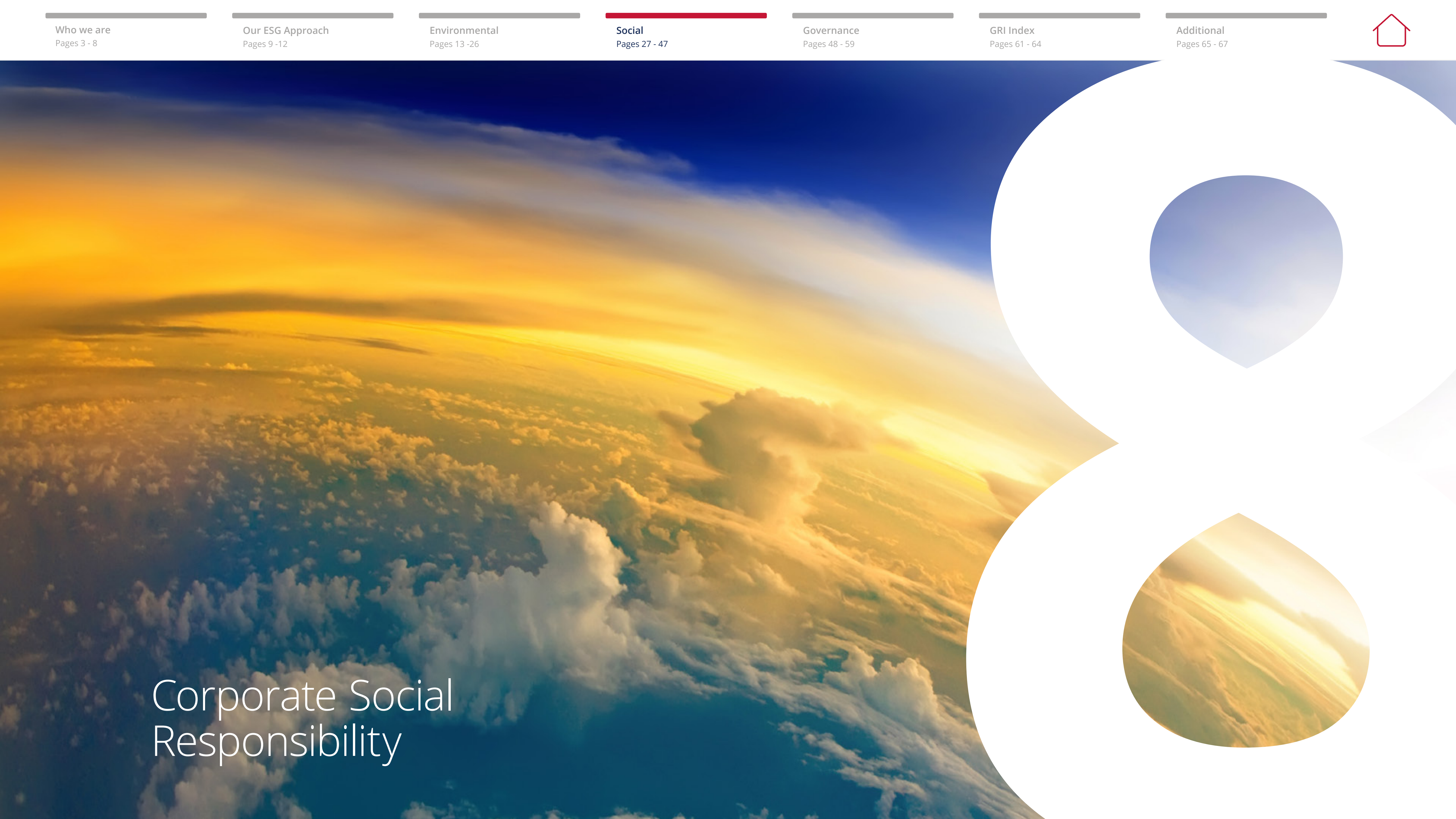
Advancing Women in Aviation Roundtable

Advancing Women in Aviation Roundtable's ("AWAR") mission is to engage with CEOs and other senior executives to build awareness and develop actionable strategies to promote the development and advancement of women leaders in the aviation industry. ACG has been a long-time supporter and sponsor of AWAR, and we were pleased to have Craig Segor, our EVP & CFO, attend AWAR's Leaders Luncheon in Dublin in early 2024, where he featured on the CFO panel discussion on Diversity and Inclusion in the industry.





Corporate Social Responsibility





Corporate Social Responsibility



ACG's Helping Hands is the internal working group that organizes, coordinates, and facilitates in-person opportunities for employees to serve the community.

ACG Helping Hands

At ACG, corporate social responsibility is a top priority. We are dedicated to both our employees and the communities we serve. We are privileged to give back to our communities through a range of initiatives, including community service events, charitable donations, and programs that motivate and support our employees in their efforts to make a positive impact.

Our Charitable Matching Program matches 100% of an employee's donation to eligible charities, up to a specified limit.

Our Volunteer Time Off Program offers up to eight hours of paid time off each year for employees to volunteer with an approved 501(c)(3) organization.





ACG - Airlink Partnership

We are proud to be a long-standing sponsor of Airlink. Airlink is a global humanitarian nonprofit organization delivering critical aid to communities in crisis by providing free airlift and logistical solutions to vetted nonprofit partners, changing how the humanitarian community responds to disasters worldwide. Its network includes over 200 aid organizations and more than 50 commercial and charter airlines. Since its inception in 2010, Airlink has flown over 12,500 relief workers and transported nearly 17,000,000 pounds of humanitarian cargo, directly helping over 59 million people impacted by natural and man-made disasters.

In October 2024, Airlink provided support to local communities in west-central Florida that were impacted by the devastation from Hurricane Helene and Hurricane Milton. Airlink's sponsored relief personnel offered targeted assistance, including muck-and-gut services, tree removal, tarping, cleanup, temporary shelters, and the distribution of essential non-food items for those impacted by the hurricanes.



Airlink is a global humanitarian organization delivering critical aid to communities in crisis by providing free airlift and logistical solutions to vetted nonprofit partners, changing the way the humanitarian community responds to disasters around the world.





Families Forward

In 2024, ACG strengthened its ongoing partnership with Families Forward OC, supporting families in Orange County experiencing housing instability. In December, ACG organized a toy drive, where employees generously contributed gifts for children within specific age groups.



Special Olympics

We continued to focus on our partnership with the Special Olympics in 2024, marking our second year of participation in the Special Olympics Southern California's Annual Plane Pull. Our team of "Flying Aces," made up of ACG staff and family members, once again pulled a 124,000-pound airplane 12 feet. A highlight of the event is having a Special Olympics athlete join each Plane Pull team as an Honorary Co-Pilot. We were thrilled to have Greg Kozlowski, a cherished friend of ACG, join us for the second consecutive year as our co-pilot. Greg, who participated in last year's Office Olympics, is on the SOSOC Plane Pull committee and was recently awarded "Volunteer of the Year" at the Disabled Resource Center, where he volunteers three days a week.



Special Olympics athlete Greg Kozlowski helps the Aviation Capital Group pull a UPS Boeing 757 at Long Beach Airport during an event to raise money for the Special Olympics of Southern California.





Feed Our Homeless

For Thanksgiving in 2024, a group of employees from our Dublin office generously gave their time to volunteer with a local homeless charity called Feed Our Homeless. This charity is dedicated to making a difference to people who are affected by homelessness and those who are most marginalized in society. Their aim is to support all those who have lost their voice through homelessness and to assist them on their journey back to independent living. On the day, the ACG volunteer team were based at the charity headquarters in Dublin. The team enthusiastically took on a range of tasks such as organizing clothing and toy donations, sorting food supplies for the charity's outreach and food provision service and preparing the warehouse for the busy Christmas period. To add to this effort and go a little further, we continued our giving in the Dublin office by donating Christmas treats that made the holiday season extra special for families and those in need.



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

Our partnership with CHOC continued as ACG held its annual Food Fest, a week where volunteers brought into the office various breakfast, lunch or snack/dessert dishes for sale and all proceeds collected were donated to CHOC. We were fortunate enough to have Patty Randall, CHOC's Director of Community Engagement, come to our offices and kick off the week with a motivating presentation about the wonderful services that CHOC provides.

Carlyle Aviation Partners 9th Annual Charity Football Tournament

ACG was proud to support Carlyle Aviation's 9th Annual Charity Football tournament in Dublin. ACG formed a team and participated in the tournament with all funds raised at the event being contributed to support the Cancer Clinical Research Trust ("CCRT").





Our hearts are with everyone in the Los Angeles area affected by the fires. We are stronger as we stand together.



Los Angeles Wildfires

We are devastated by the impact of the Los Angeles fires and the profound losses experienced by so many in our community. ACG stands in solidarity with those affected as we honor the bravery of firefighters, first responders and the dedication of so many as they work to rebuild communities.

ACG employees generously contributed to the United Way's Los Angeles Wildfires Emergency Response Fund, with their donations matched through ACG's matching program. In addition, ACG made a separate donation to the California Fire Foundation's Wildfire and Disaster Relief Fund, which collaborates with local fire agencies and community organizations to provide critical relief to those affected by the fires.





Some of our employee focused social events for 2024





Business Ethics & Compliance



Board of Representatives

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

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

Currently, ACG's Board has five members, comprised of ACG's Chief Executive Officer & President and four members that ACG's parent company has the right to designate. Collectively, these representatives bring over 150 years of experience and expertise in aviation, financing, risk management, corporate governance, and executive leadership. With Mahoko Hara serving as Executive Chair and board members of diverse national origins, ACG takes pride in maintaining a diverse and experienced Board.



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

Thomas G. Baker Chief Executive Officer & President

Diverse Board of Representatives



Mahoko Hara

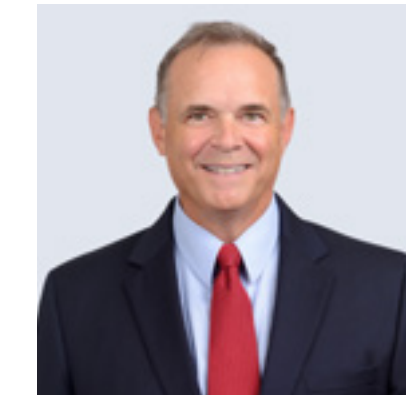
Executive Chair, ACG
Director & Senior Managing
Executive Officer, Tokyo Century

Audit Committee
Compensation Committee



Thomas G. Baker

Chief Executive Officer
& President, ACG



Anthony Diaz

Chief Executive Officer of
Westpark Advisory Group

Independent ACG Board Member



Ko Nakagawa

Senior Advisor, Tokyo Century

Audit Committee



Yoshihiro Ueda

Managing Executive Officer,
General Manager of Tokyo
Century's Aviation Finance Division

Audit Committee
Compensation Committee



Board Biographies



Mahoko Hara

Executive Chair, ACG
Director & Senior Managing
Executive Officer, Tokyo Century

Audit Committee
Compensation Committee



Thomas G. Baker

Chief Executive Officer
& President, ACG



Anthony Diaz

Chief Executive Officer of
Westpark Advisory Group
Independent ACG Board Member

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

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

Anthony Diaz has been a Representative of ACG since February 2020. Mr. Diaz is currently Chief Executive Officer of Westpark Advisory Group, an aviation consulting company. Mr. Diaz served as the Chairman of Zephyrus Aviation Capital, an aircraft leasing company, from September 2018 to June 2024. Mr. Diaz was also an Operating Partner at Virgo Investment Group from May 2017 to June 2024. Previously, Mr. Diaz was President of CIT Aerospace, a company providing commercial aircraft leasing solutions, where he held various positions with subsidiaries and affiliates of CIT Aerospace from 1987 through 2017. Prior to joining CIT, Mr. Diaz held a variety of operational and financial positions with People Express Airlines (which was subsequently merged into Continental Airlines) from 1981 to 1987. Since December 2023, Mr. Diaz has served as a Director of APLFinance 2023-1 DAC, an aviation loan ABS transaction, and he previously served as a Director of CIT Aerospace International Ltd. Mr. Diaz holds a B.S. degree from Embry-Riddle Aeronautical University and an Associate of Science degree from the State University of New York at Farmingdale.



Board Biographies



Ko Nakagawa

Senior Advisor, Tokyo Century
Audit Committee

Ko Nakagawa has been a Representative of ACG since December 2019 and he currently serves as Senior Advisor for Tokyo Century. From April 2021 to March 2024, Mr. Nakagawa held the position of Managing Executive Officer at Tokyo Century and served as the Chief Compliance Officer and President of the Credit Supervision Unit, the Risk Management Unit and the Legal Unit. He also previously chaired Tokyo Century's Comprehensive Risk Management Committee and Credit Risk Management Committee. Since joining Tokyo Century in 2010, Mr. Nakagawa has worked across various business areas including corporate finance and automobile finance. He was promoted to Executive Officer in April 2017 and to Managing Executive Officer in April 2021. Prior to joining Tokyo Century, Mr. Nakagawa spent over 28 years with the Mizuho Financial Group (originally Dai-Ichi Kangyo Bank) where he held various senior positions overseas for 12 years, including six years in the New York and Los Angeles offices. He has also served as Executive Vice President of DKB California and General Manager of Foreign Exchange Business Department of Mizuho Corporate Bank. Mr. Nakagawa received a B.A. in Economics from Keio University.



Yoshihiro Ueda

Managing Executive Officer,
General Manager of Tokyo
Century's Aviation Finance Division
Audit Committee
Compensation Committee

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





Business Ethics & Compliance

The importance of business ethics and compliance has never been more critical. As a company committed to responsible and sustainable growth, we recognize that adhering to the highest ethical standards and ensuring rigorous compliance with legal and regulatory requirements are imperative. These principles are not only central to ACG's operational integrity but also vital in building trust with our stakeholders, maintaining our reputation, and contributing positively to the communities we serve. However, this is not accomplished without the participation of everyone at ACG. Each person plays a vital role in maintaining, building, and living out ACG's commitment to ethics and compliance.





ACG's Strategy for Business Ethics & Compliance

Policies and Procedures

Robust policies and procedures are essential in establishing a strong foundation for business ethics and compliance. They provide clear guidelines and expectations across the organization, ensuring that all employees understand their responsibilities and the standards they must adhere to. By systematically outlining processes for risk management and regulatory compliance, these policies help prevent unethical practices and ensure consistent compliance with legal and industry requirements. Furthermore, well-defined procedures facilitate swift identification and correction of any violations, while fostering a culture of accountability and integrity throughout the organization.



At ACG, ethics and compliance are not just the policies we follow; they are the principles that guide how each of us interact, lead, and collaborate.

Emily Mahaffey Insurance and Compliance Manager

ACG employees must comply with a comprehensive set of policies and procedures including:

Code of Conduct

ACG has provided an outline of the ethical standards and expectations all employees must adhere to within the organization.

Anti-Corruption and Compliance Policy

ACG has provided employees with tools they can use to identify, avoid, and report any form of bribery, corruption, or unethical behavior ensuring all employees adhere to high standards of integrity across the organization.

Insider Trading Policy

ACG has set clear guidelines to ensure non-public, material information is never used to gain an unfair advantage in trading securities.

Know Your Customer (KYC) Policy

ACG has established an extensive KYC policy to prevent fraud, money laundering, and other financial crimes, and ensure all transactions comply with legal and regulatory standards.

Diversity Equity and Inclusion (DE&I) Policy

ACG believes an inclusive and equitable workplace is paramount to ACG's success. Our DE&I policy fosters an environment that promotes diverse perspectives and ensures fair opportunities for growth and advancement.

Human Rights Policy

ACG adheres to a robust policy with zero tolerance for modern slavery, child labor, and human trafficking. Potential risks are monitored throughout Tokyo Century's group of companies.

More information is available here



These policies are reviewed and acknowledged by employees to ensure an understanding across the company of each person's responsibility.



Risk Management

ACG's risk management practices and policies are designed to ensure that our business practices enable us to successfully execute on our business plans. In broad terms ACG's corporate goals are to:

- Manage the business with a long-term view, ensuring stable earnings, cash flow, and business growth
- Provide acceptable returns and growth with limited downside risk in a cyclical industry
- Preserve ACG's strong reputation in the marketplace

This goal of ensuring appropriate financial strength and having a long-term focus on consistent growth and profitability and efficient capital management forms the basis of ACG's risk management strategy. This entails:

- Having a well-articulated common understanding of risk
- Understanding risk as a competitive advantage
- Avoiding excessive risks that could endanger the survival of ACG
- Maintaining a risk profile that can support sustainable earnings and capital
- Identifying risks that have desirable characteristics, those which are accepted/neutral, and those which are negative and should be minimized or avoided, and managing those risks accordingly
- Measuring and comparing risk-adjusted returns
- Providing transparent assessments of and ongoing risk assessments to enhance decision making

Effective training helps to clearly communicate expectations, reduce the risk of non-compliance, and prevent misunderstandings or misinterpretations.

ACG employs a "three lines of defense" organizational structure to achieve these objectives. The first line of defense is the company's employees – all of whom have a responsibility and mandate to operate the company in a prudent fashion. The second line of defense is ACG's Risk and Compliance Departments. The third line of defense is Internal Audit.

For the second line of defense, ACG's Risk Department utilizes a comprehensive suite of interconnected risk tools, processes, and policies to:

- Assess specific lessee, country, and asset risks and concentration exposures
- Calibrate deal sizes and security packages based on those assessments
- Evaluate our operating and finance lease transactions on a risk-adjusted basis
- Facilitate portfolio management decisions, such as sales and purchases of aircraft



Training

Policies and procedures mean nothing if they are not understood. Training is crucial to ensure that all employees understand and adhere to ACG's organizational standards. Effective training helps to clearly communicate expectations, reduce the risk of non-compliance, and prevent misunderstandings or misinterpretations. It also empowers employees to act confidently and responsibly in their roles. Regular training is provided to all employees, covering various aspects of ACG's comprehensive set of policies and procedures enabling all employees to not only understand, but to stay informed about updates and changes, reinforcing the importance of compliance and ethical behavior in daily operations.



Continuous review and improvement of our policies and procedures allows us to address new risks and opportunities, align with best practices, and maintain a proactive stance in preventing unethical behavior.





Transparency & Reporting

Transparency & Reporting are integral in maintaining ACG’s strong approach to ethics and compliance. A Whistleblower Policy has been established providing support and guidance to employees. In addition, ACG’s employees are given multiple options for asking questions and reporting internally, along with an anonymous reporting hotline and website. All reported workplace violations are fully investigated in accordance with our company policies, escalated as necessary, and kept for records. In addition, retaliation against any employee for reporting a concern in good faith or participating in an investigation is prohibited. To ensure transparency of any reported violations across the company, ACG’s Chief Compliance Officer provides a quarterly update to the Audit Committee of any critical concerns raised through the Whistleblower Policy and an annual compliance report is submitted to Tokyo Century.

There were zero material violations of law reported to or discovered by ACG in 2024.

Internal Audit

ACG’s Internal Audit Function is to provide independent, risk-based, and objective assurance, advice, and insight regarding the effectiveness and efficiency of risk management, control, and governance processes to enhance and protect organizational value.

Looking Forward

The world is consistently changing and ACG must continue to grow and adapt as well. Continuous review and improvement of our policies and procedures allows us to address new risks and opportunities, align with best practices, and maintain a proactive stance in preventing unethical behavior.

Our Approach



Key Features

- Preserves independence with a dual reporting line and direct access to the Audit Committee
- Authorized by the Audit Committee to have full, free, and unrestricted access to carry out engagements
- Maintains open and transparent interactions across the organization
- Promotes continued compliance with ICFR programs, including J-SOX requirements
- Aligns with the strategies, objectives, and risks of the organization



Cybersecurity & Data Privacy





Cybersecurity & Data Privacy

NIST Cybersecurity Framework

The 5 Functions



We take our responsibility to protect our company and employees from the risks of cybersecurity seriously.

Greg Meyer Vice President, Chief Information Officer

All employees are trained to not only identify and respond to various cybersecurity threats, but also to protect all confidential information.

We adhere to a thorough set of security policies and procedures, aligned with the National Institute of Standards and Technology (“NIST”) to meet our commitment to cybersecurity, including:

- Deployment of robust market-leading cybersecurity solutions
- Frequent cybersecurity awareness education and training on procedures for employees
- Periodic reviews are performed to ensure proper levels of access to data and applications
- Phishing exercises to prevent phishing clicks and a phishing alert button for easy reporting
- Internal audit of security controls, with findings and program maturity reported to the Audit Committee
- Regular vulnerability and penetration testing performed by third-party specialists



Escalation Procedure



Information privacy/security features include:

- Data Protection training for all employees
- Multi-factor authentication for all employees
- Encryption deployed end-to-end
- Threat identification technologies and processes
- Process and requirements for software patching
- An established and monitored security baseline

ACG's incident response process resulted in:

- No material security breaches reported in 2024
- No material breaches of personal data loss in 2024
- Rapid resolution of security events before escalation to incidents





Appendices



GRI Index

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

GRI Code	Disclosure	ACG Response
2-1	Organizational details	See "Our Company", on page 4.
2-2	Entities included in the organization's sustainability reporting	See "About This Report", on page 2. See Aviation Capital Group's 2024 Consolidated Financial Statements, available at www.aviationcapitalgroup.com/investors/
2-3	Reporting period, frequency, and contact point	See "About This Report", on page 2.
2-4	Restatements of information	None in reporting period.
2-5	External assurance	This Report has been reviewed by the Aviation Capital Group Senior Leadership Team and the normal ACG disclosure channels. We did not seek external assurance for this Report.
2-6	Activities, value chain and other business relationships	See "Our Company", on page 4. See "Stakeholder Engagement" section, starting on page 11. Information about our activities and services is available at: www.aviationcapitalgroup.com
2-7	Employees	See "Diversity, Equity, and Inclusion" section, starting on page 33.
2-8	Workers who are not employees	ACG has contractors working for the company as of December 2024. We do not publicly disclose the exact number of these workers.
2-9	Governance structure and composition	See "Our ESG Approach" section, starting on page 9. See "Business Ethics & Compliance" section, starting on page 48.
2-10	Nomination and selection of the highest governance body	See "Business Ethics & Compliance" section, starting on page 48. ACG's Board has five members, comprised of ACG's Chief Executive & President and four members that ACG's parent company has the right to designate.
2-11	Chair of the highest governance body	See "Business Ethics & Compliance" section, starting on page 48.
2-12	Role of the highest governance body in overseeing the management of impacts	See "Business Ethics & Compliance" section, starting on page 48.



GRI Index

GRI Code	Disclosure	ACG Response
2-13	Delegation of responsibility for managing impacts	The Board has delegated authority to operate the day-to-day management of ESG to Tom Baker, CEO, and the ACG Senior Leadership Team. Gordon Grant is Vice President, the Head of ESG and coordinates directly with the ESG Leader and supports ACG to effectively integrate the sustainability approach and related objectives into strategies, reporting, and activities. The ESG Working Group, led by Head of ESG, is a cross-functional group which supports the integration of sustainability across ACG.
2-14	Role of the highest governance body in sustainability reporting	The Board of ACG is ultimately responsible for all matters related to sustainability and is supported by ACG's Senior Leadership Team. Material ESG topics are reported to the ACG Board for review and approval.
2-15	Conflicts of interest	Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, is central to ACG's core value of integrity. Related party transactions are reviewed and approved by the Audit Committee and/or the Board, as required.
2-16	Communication of critical concerns	See "Business Ethics & Compliance" section, starting on page 48. See "Transparency & Reporting", on page 56. The ACG Board is updated on critical concerns raised through whistleblowing and other similar procedures. This update is provided by the Chief Compliance Officer. An internal report for ACG is provided on a yearly basis to the General Manager of Risk Management Division at Tokyo Century which contains information on annual compliance statistics and compliance issues and remedies thereof.
2-17	Collective knowledge of the highest governance body	Sustainability updates are provided by ACG's ESG Leader, Head of ESG or by the members of the ESG Working Group at Board meetings. ACG's Tokyo Century Board Members engage in discussions about sustainability topics during their management meetings. Additionally, they receive periodic sustainability updates from Tokyo Century's Sustainability Management Committee, highlighting the latest developments in the industry and the company's ongoing efforts towards achieving their sustainability goals.
2-19	Remuneration policies	See "Board of Representatives" within Governance section, on page 49.
2-20	Process to determine remuneration	See "Board of Representatives" within Governance section, on page 49.
2-21	Annual total compensation ratio	ACG and Tokyo Century consider this information confidential and cannot report it publicly.
2-22	Statement on sustainable development strategy	See "CEO Statement", on page 3.
2-23	Policy commitments	See "ACG's Strategy for Business Ethics & Compliance", on page 53.
2-24	Embedding policy commitments	See "ACG's Strategy for Business Ethics & Compliance", on page 53.
2-25	Processes to remediate negative impacts	External parties can reach out to ACG to raise comments or concerns through contact details provided on the website.



GRI Index

GRI Code	Disclosure	ACG Response
2-26	Mechanisms for seeking advice and raising concerns	See "Transparency & Reporting", on page 56.
2-27	Compliance with laws and regulations	No significant instances of non-compliance in reporting period
2-28	Membership associations	See "Our Collaboration with Industry Stakeholder Engagement", on page 20. See the "Industry Partnerships" section, starting on page 36.
2-29	Approach to stakeholder engagement	See the "Stakeholder Engagement" section, starting on page 11.
2-30	Collective bargaining agreements	No employees are covered under collective bargaining agreements.
3-1	Process to determine material topics	See "Our ESG Approach" section, starting on page 9.
3-2	List of material topics	See "Our ESG Approach" section, starting on page 9.
3-3	Management of material topics	ACG's approach to managing the material topics is discussed in the relevant sections of this Report.
201-1	Direct economic value generated and distributed	See Aviation Capital Group's 2024 Annual Financial Statements, available at www.aviationcapitalgroup.com/investors/
201-3	Defined benefit plan obligations and other retirement plans	See Aviation Capital Group's 2024 Annual Financial Statements, available at www.aviationcapitalgroup.com/investors/
203-1	Infrastructure investments and services supported	See "ACG's Commitment to New Technology" section, starting on page 16. See "Corporate Social Responsibility" section, starting on page 41.
203-2	Significant indirect economic impacts	See "Corporate Social Responsibility" section, starting on page 41.
205-1	Operations assessed for risks related to corruption	Corruption is assessed as part of ACG's overall annual risk assessment and covers 100% of our locations.
205-2	Communication and training about anti-corruption policies and procedures	See "Talent Attraction & Retention", on page 28. See "ACG's Strategy for Business Ethics & Compliance", on page 53.
205-3	Confirmed incidents of corruption and actions taken	None in the reporting period.
207-1	Approach to tax	See Aviation Capital Group's 2024 Annual Financial Statements, available at www.aviationcapitalgroup.com/investors/



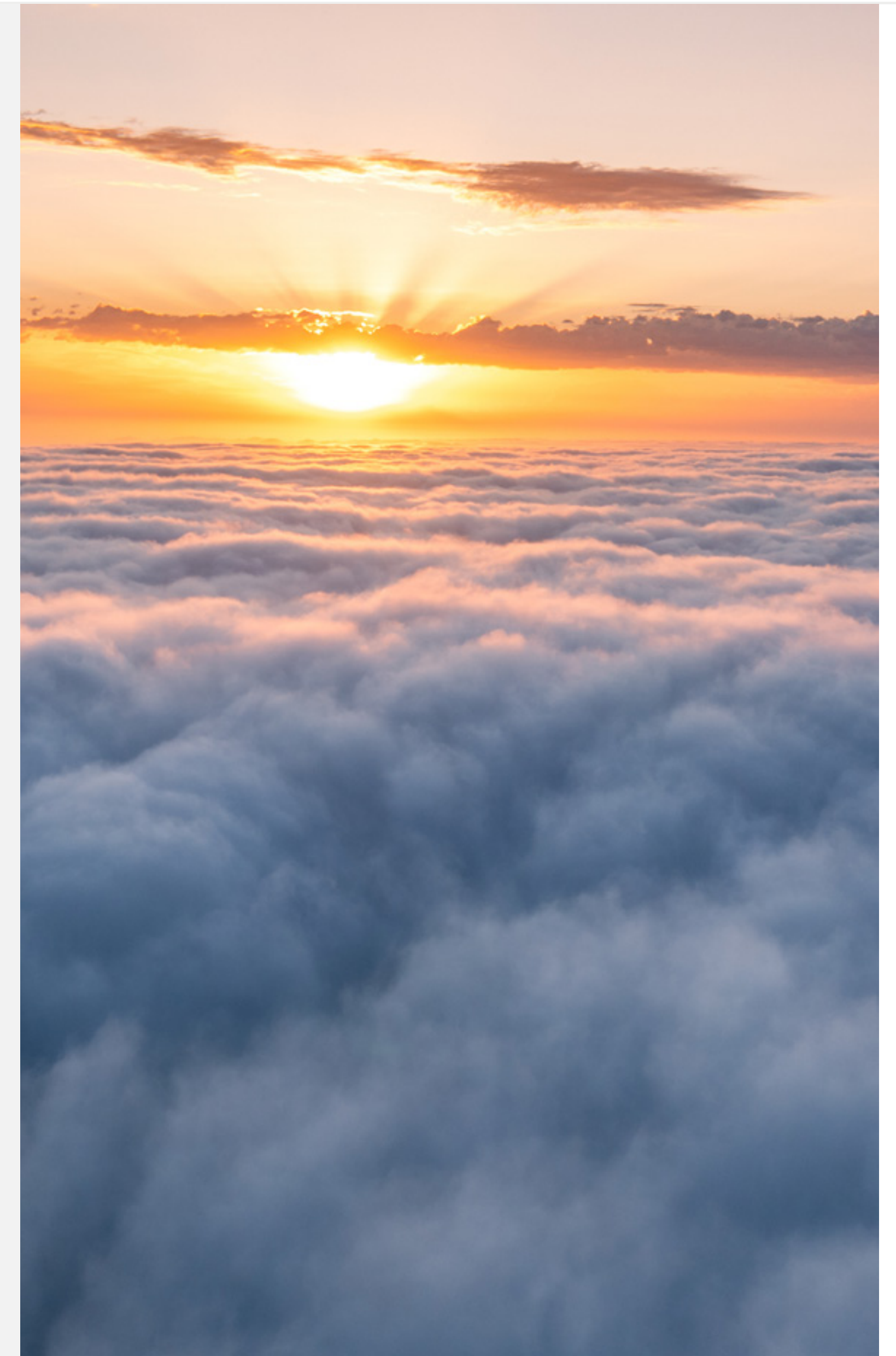
GRI Index

GRI Code	Disclosure	ACG Response
302-1	Energy consumption within the organization	Consolidated Scope 1 and Scope 2 emissions can be found in Tokyo Century's Sustainability Data Book, available here: https://www.tokyocentury.co.jp/en/csr/databook/
302-2	Energy consumption outside of the organization	See "Climate Action & Carbon Management" section, starting on page 13.
302-3	Energy intensity	See "Climate Action & Carbon Management" section, starting on page 13.
302-4	Reduction of energy consumption	See "Climate Action & Carbon Management" section, starting on page 13.
302-5	Reductions in energy requirements of products and services	See "Climate Action & Carbon Management" section, starting on page 13. See "ACG's Commitment to New Technology" section, starting on page 16.
305-1	Direct (Scope 1) GHG emissions	Consolidated Scope 1 emissions can be found in Tokyo Century's Sustainability Data Book, available at https://www.tokyocentury.co.jp/en/sustainability/databook
305-2	Energy indirect (Scope 2) GHG emissions	Consolidated Scope 2 emissions can be found in Tokyo Century's Sustainability Data Book, available at https://www.tokyocentury.co.jp/en/sustainability/databook
305-3	Other indirect (Scope 3) GHG emissions	See "ACG's Commitment to New Technology" section, starting on page 16.
305-4	GHG emissions intensity	See "ACG's Commitment to New Technology" section, starting on page 16.
401-1	New employee hires and employee turnover	See "Diversity, Equity, and Inclusion" section, starting on page 32.
403-6	Promotion of worker health	See "Employee Health & Wellbeing", starting on page 29.
404-1	Average hours of training per year per employee	See "Talent Attraction & Retention" section, starting on page 27.
404-2	Programs for upgrading employee skills and transition assistance programs	See "Talent Attraction & Retention" section, on page 27.
404-3	Percentage of employees receiving regular performance and career development reviews	100% of our male and female employees receive annual reviews from management, helping them develop and meet goals and continue to grow within ACG.
405-1	Diversity of governance bodies and employees	See "Diversity, Equity, and Inclusion" section, starting on page 32. See "Business Ethics & Compliance" section, starting on page 48.
413-1	Operations with local community engagement, impact assessments, and development programs	See "Corporate Social Responsibility" section, starting on page 41.
416-1	Assessment of the health and safety impacts of product and service categories	All of ACG's aircraft are compliant with strict regulatory standards.



Footnotes

1. Based on narrowbody by count, which is the percent of the number of owned narrowbody aircraft (page 4).
2. Comprised of cash and cash equivalents, in each case to the extent that such assets are not subject to a lien, and non-pledged aircraft assets (aircraft, engines, airframes, parts and pre-delivery payments) (page 4).
3. Weighted average age of owned aircraft based on net book value (page 4).
4. Owned, managed and committed aircraft (page 4).
5. Percentage based on new technology by count (page 4).
6. IATA (www.iata.org) (page 14).
7. Includes \$127 million of assets held for sale (page 16).
8. The portion of ACG's owned fleet (excluding finance leases) that is new technology aircraft which includes Airbus A220, A320neo, and A350 family aircraft and Boeing 737 MAX and 787 family aircraft as a percentage of NBV (page 18).
9. IBA NetZero Emissions Calculator used to calculate ACG's owned fleet CO₂ emissions per seat mile (g) (page 18).
10. Includes orderbook, SLB aircraft and aircraft purchased on the secondary market. (page 19).
11. Includes one employee on leave of absence: excludes temps and contractors (page 34).





Website Index

Page 14 full website address - <https://www.tokyocentury.co.jp/en/sustainability/esg/environment/carbon-neutrality-policy.html>

Page 18 full website address - <https://www.tokyocentury.co.jp/en/sustainability/databook>

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

Page 67 full website address - <https://www.aviationcapitalgroup.com/investors/>





Important Notice

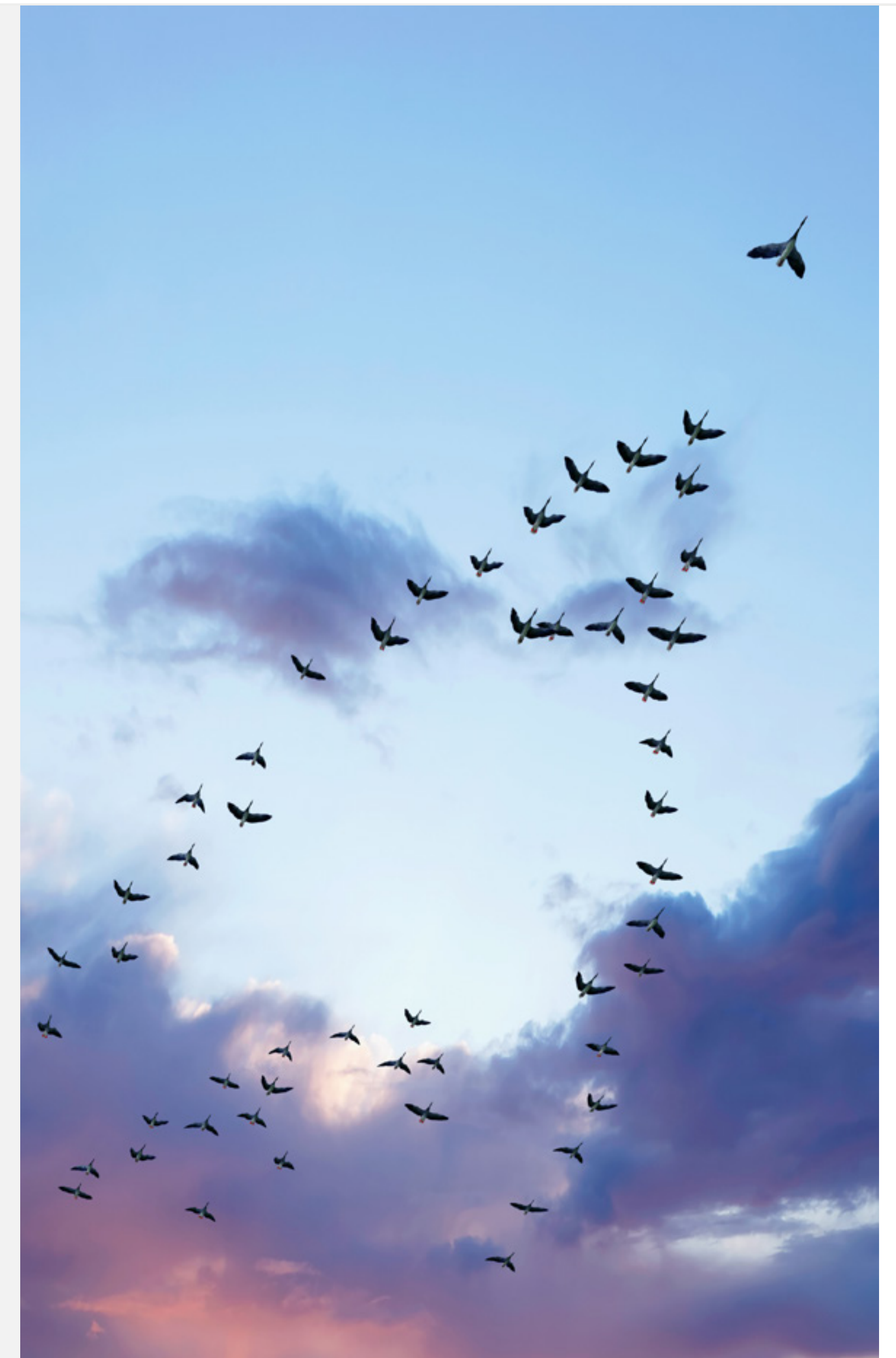
The information contained in this Report is presented without any liability whatsoever to Aviation Capital Group LLC or any of its related entities (collectively “ACG”, the “Company”, “we” or “our”) or their respective officers or directors (or persons performing similar functions). If any information contained in this Report has been obtained or compiled from outside sources, such information has not been independently verified by ACG. The use of registered trademarks, commercial trademarks and logos, or photographic materials within this Report is exclusively for illustrative purposes and are not meant to violate the rights of the creators and/or applicable intellectual property laws. ACG makes no representation or warranty, expressed or implied, as to the accuracy, completeness, or thoroughness of the content of the information, and ACG disclaims any responsibility for any errors or omissions in such information, including any financial calculations, projections, and forecasts. In particular, ACG makes no representation or warranty that any projection, forecast, calculation, forward-looking statement, assumption or estimate contained in this Report should or will be achieved. This Report includes forward-looking statements relating to ACG’s business, industry, and financial performance including, but not limited to, statements regarding ACG’s orderbook.

These statements may be identified by words such as “expect”, “belief”, “estimate”, “plan”, “anticipate”, “target”, or “forecast” and similar expressions or the negative thereof; or by the forward-looking nature of discussions of strategy, plans or intentions; or by their context. Actual results are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied in the forward-looking statements.

The information contained in this Report refers to ACG and its owned portfolio of aircraft (unless aircraft managed by ACG are noted as included) and does not include aircraft financed or guaranteed through ACG’s Aircraft Financing Solutions program. All information is as of December 31, 2024, unless otherwise indicated. ACG does not undertake any obligation to update the information contained herein. Please note that in providing this information, ACG has not considered the objectives, financial position, or needs of any reader. The reader should not construe this information as investment, legal, accounting or tax advice, and should obtain and rely on the reader’s own professional advice from its tax, legal, accounting, and other professional advisers.

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

[Quarterly Investor Presentation is available here](#)





Aviation Capital Group
840 Newport Center Drive, Suite 300
Newport Beach, CA 92660, U.S.A.

+ 1 949 219 4600
www.AviationCapitalGroup.com

Copyright 2025 © Aviation Capital Group Llc. All Rights Reserved.

