

Environment

Our business has adapted and prospered through seismic changes in industry, society and technology over the last 190 years and we are fully committed to taking the necessary steps to remain resilient into the future. Our focus is on turning any negative impacts our business has on climate change and the natural environment, into opportunities. By being a responsible corporate citizen, mitigating the risks from climate change on our business, and working towards a net-zero future, we believe we can remain resilient and play our part in delivering a sustainable, net-zero future for aviation.

UN SDG Alignment



OUR ENVIRONMENT GOALS

Science Based Targets aligned net-zero goals

- Net-zero across all 3 scopes by 2045.
- Take an electric first approach to new motorised GSE, refurbish and repower existing GSE increasing and seek low emission fuel options.
- 25% of global motorised GSE to be electric by 2025.
- Collaborate with equipment manufacturers on developing and trialling new technology.
- Reduce energy and fuel use and seek renewable electricity solutions.
- Engage with partners across our value chain to reduce our scope 3 emissions.

Reducing our environmental impacts

- Target zero fuel spillages.
- Reduce waste and increase recycling.
- Move to low impact environmental solutions and products across all our services.
- Identify and manage our environmental risks and impacts.

Supporting the climate agenda

- Support our airline customers and airport partners to reduce emissions and provide sustainable solutions and efficient aircraft turnarounds.
- Support good quality environmental projects and initiatives that create a positive impact on nature and the environment.
- Be a sustainability leader.

Our emissions

As required under the Climate Change Act 2008, and obligations imposed by the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, we are mandated to disclose our greenhouse gas (GHG) emissions and energy use from our operation for the period 1st January 2022 to 31st December 2022. Aligned with this, our reporting reflects the requirements of the Streamlined Energy & Carbon Reporting framework.

Business volumes have continued to return and our business has expanded both organically and inorganically. This includes the integration of National Aviation Services (NAS), following the acquisition of Menzies by Agility in August 2022, and Menzies subsequent de-listing from the London Stock Exchange. Correspondingly, our emissions for 2022 have increased by approximately 18,000 tonnes CO₂e compared with 2021. This remains lower than our current base year of 2019.

To reflect the new shape and outlook of our business, and in support of our analysis in preparation for submitting our science based targets in 2023, we will be changing our baseline year to be 2022 going forward. It's unlikely that we will see a return to 2019 emissions levels partly due to the steps we have already been taking action to reduce emissions where possible, including increasing the percentage of electric and lower emissions ground support equipment.

The largest increases and decreases by country for 2022 are reflective of the changing size of operations in those geographies.

Quantification and reporting methodology

For the purposes of transparency and to support comparisons with previous years, we have reported our full global emissions for all entities, joint ventures, subsidiaries and sister companies including National Aviation Services, as well as the figure for all UK entities and subsidiaries and joint venture operations, for which we have financial control.

For 2022, we have measured global scope 1 and scope 2 CO₂e emissions, and limited scope 3 CO₂e emissions (hire care and personal vehicles for business use for UK only).



- Our scope 1 emissions include: direct emissions from our operations including the combustion of fuel in our ground support equipment and vehicles, as well as gas and other fuel consumption for operating a facility.
- Our scope 2 emissions include: indirect emissions from electricity purchased for our own use in locations of operation and electric vehicles and equipment.

Menzies has used the GHG Protocol Corporate Accounting and Reporting Standards and reported our emissions in accordance with the UK Government's Environmental Reporting Guidelines.

We have implemented a system called ESG360° to enable more efficient data collection and calculation of our emissions. For 2022, data for scope 1 and scope 2 was sourced from our financial accounting systems and imported into ESG360° for analysis. Some manual data was also gathered from invoices and/or meter readings. Going forward, data will be automatically

Environment continued

transferred into ESG360° or where data is currently manually collated, this will be entered directly into ESG360° to improve quality of data collection. Scope 3 data including supplier data will also be captured in ESG360° commencing in 2023. This will help to highlight areas of value chain that would benefit from reductions in carbon emissions and paves the way for us to develop a data-driven net-zero plan.

ESG360° follows with the global methodology set by the Greenhouse Gas Protocol, which supplies the world's most widely used GHG accounting standards. Using the guidance provided by the GHG protocol, ESG360° measures scope 1, 2 and 3 emissions.

In tandem, using the emissions factor databases from the Department for Environment, Food and Rural Affairs (DEFRA) and the International Energy Agency (IEA), ESG360° accurately and efficiently carries out carbon accounting, allowing us to more accurately report and disclose required information.

We report against two intensity measures that are common business measures and relevant to our business and reflective of the size of operations.

1. Gross global scope 1 and 2 emissions in tonnes of CO₂e per \$'000 revenue.
2. Gross global scope 1 and 2 emissions in tonnes of CO₂e per FTE (as at 31st December of our financial year).

We have increased our FTE numbers significantly over the last 12 months in response to business volumes returning post-Covid. While we would hope to see efficiencies we are making in reducing our emissions playing a part in the notable improvement of our FTE intensity ratio, we expect the full year effects will be more evident in 2024 and this ratio may increase again, albeit not to the levels of previous years.

External Assurance Statement

Menzies Aviation's 2022 greenhouse gas (GHG) emissions have been externally verified to a limited level of assurance by ESG360° with verification of data obtained from invoices undertaken by Hilltop

Sustainability, a business sustainability consultancy specialising in carbon auditing, footprint calculations, reduction plans and strategies with the aim of assisting clients on a pathway to net-zero.

Hilltop Sustainability was engaged to verify and comment on the data collection, invoice sample and quality of the data entry in relation to the invoices collected as well as to make recommendations based on its findings.

Verification by Hilltop Sustainability has been undertaken using standard audit principles. The data verified by this exercise was provided by Menzies employees, contractors and service providers. It covers all operated activities undertaken by Menzies during the reporting year. Hilltop Sustainability has not been involved in any data collection activities for Menzies, their contractors or service providers during the reporting period. Hilltop Sustainability confirms that there is no conflict of interest arising and this verification statement and the assurance process has been undertaken independently.

Recommendations for improvements in the data collection process provided to Menzies includes expanding the size of the invoice sample for the 2023 audit.

ESG360° completed the conversion factor calculations on behalf of Menzies within the ESG360° system, according to the methodology outlined in 'Quantification and methodology' section of this report on page 21, and can attest to the accuracy of those calculations.

Measures taken to improve energy efficiency

- We take an 'electric first' approach to all new Ground Support Equipment (GSE) vehicles, wherever possible across our global operations. This is more easily achieved in airport locations that have or are planning on implementing suitable infrastructure and charging points, and especially beneficial where those locations provide electricity from renewable sources. We added over 198

electric GSE to our fleet in 2022 with many more on order, and expect this to be a larger number in 2023.

- Additionally, we opened our first refurbishment and repower workshop in Las Vegas and have begun converting diesel baggage tractors to electric. We have plans to scale this further in 2023 and beyond.
- We have successfully used HVO as a replacement for diesel in Sweden for over a year with very positive results and in into-plane fuelling hydrant trucks in the UK, with approximately 60k litres of HVO consumed in 2022. Since the start of 2023, we have used HVO in Amsterdam in all non-electric motorised GSE. HVO can reduce emissions by 90% but it can be challenging to secure a sustainably sourced supply.
- We have many new hybrid vehicles on order for delivery in 2023 as low emissions alternatives where fully electric charging cannot be supported at a particular airport location. This includes new hybrid toilet and water trucks for Australia, which contain an electric unit powered by a small diesel generator making them more efficient than a diesel engine and allowing a simple conversion to electric in the future.
- Our systems and data are hosted in energy efficient carbon neutral data centres, which are planned to be run using 100% renewable energy by 2025.
- In many locations we have monitored building use and taken simple steps to switch off lights or equipment when not in use. We are taking this a step further in 2023 by investigating 'smart buildings' solutions to trial.
- We have installed solar panels on our office and cargo warehouse building in Prague, which we are aiming to be operational in H1 2023. Once fully operational, it is expected this will reduce our emissions across our Prague operations by 25%.
- We are building a new cargo building in Bangalore that is being designed to achieve the Indian Green Building Council Platinum Standard, which is expected to be operational early 2024.

Environment continued

Targets

As previously reported, we are setting improved near-term, mid-term and long-term targets for scope 1, scope 2 and scope 3 emissions aligned with the Science Based Targets (SBTi) Corporate Net-Zero Standard launched during COP26 in Glasgow in 2021 - albeit with a more ambitious target of reaching next zero by 2045 (for scope 1, 2 and 3 emissions). By including scope 3 and being wholly based upon an absolute reduction approach, these will improve upon our existing 2033 target. Our SBTi targets will be published more fully following submission and approval of our application to the SBTi. We will use our 2022 CO₂e emissions as our baseline for measuring progress going forward.

Our transition pathway and initiatives designed to meet our new targets will be communicated in more detail following approval of our new targets by the Science Based Targets Initiative.

A summary of our improved targets follows:

2030	Min. 50% emissions reduction (scope 1 & 2)
2030	Min. 20% emissions reduction (scope 3)
2033	60% emissions reduction total (scope 1 & 2)
2033	30% emissions reduction total (scope 3)
2040	80% emissions reduction total (scope 1 & 2)
2040	60% emissions reduction total (scope 3)
2045	Net-zero

Energy Savings Opportunity Scheme (ESOS)

In compliance with Phase 3 of the UK's ESOS audit and reporting requirements, we have engaged with an external ESOS Assessor to undertake an audit of energy use in buildings, related to our processes, and transport. Our report and associated recommendations will be submitted to the UK Environment Agency ahead of the December 2023 deadline.

Collaboration & Engagement

Working with customers, suppliers, airports and other partners is vital for us to be able to achieve our own targets and support the aviation industry with its net-zero ambitions and create a sustainable future.

We collaborate with customers on a variety of projects focused on waste, paper reduction, reducing emissions, GSE and more. Supporting our customers and working together to achieve our goals, and create dialogue for change together with airports and suppliers, is hugely important.

We were delighted to Chair the Airport Services Association (ASA) Sustainability Committee again in 2022 and into 2023 to investigate opportunities for change with other ASA members.

We will only be able to achieve our ambitious net-zero goals with the support of the airports we operate in and understanding and helping drive their own transition plans for renewable energy options, electric charging infrastructure, improved waste initiatives and other environmental plans.

We are engaging with our suppliers through our Third Party Risk Management project, to understand how our suppliers can support our ESG goals, reduce environmental impacts and emissions through their own plans, offer Menzies more sustainable services and products, limiting or removing negative impacts on the natural environment. These considerations will be core to our supplier selection going forward, among other assessment criteria. We are completing scope 3 analysis for our top supplier population in 2023 to support our science based targets, and to complete risk assessments and fuller due diligence for our top 25% of suppliers. We will engage with our wider global supplier population fully in 2024.

We have plans to engage with our stakeholders more widely, seeking their input to our ESG materiality refresh later in 2023.

	PREVIOUS BASELINE YEAR 2019			PREVIOUS REPORTING YEAR 2021			CURRENT REPORTING YEAR 2022		
	GRAND TOTAL	UK	GLOBAL (EXCL. UK)	GRAND TOTAL	UK	GLOBAL (EXCL. UK)	GRAND TOTAL	UK	GLOBAL (EXCL. UK)
SCOPE 1 & 2 EMISSIONS (TONNES OF CO₂E)									
SCOPE 1 - COMBUSTION OF FOSSIL FUELS	107,797	13,477	94,321	69,424	5,777	63,647	87,956	6,558	81,398
SCOPE 2 - ELECTRICITY PURCHASED FOR OWN USE	22,287	1,073	21,214	20,418	383	20,035	19,285	392	18,893
TOTAL	130,085	14,550	115,535	89,842	6,159	83,682	107,241	6,950	100,291
INTENSITY RATIO (SCOPE 1 & 2 EMISSIONS/METRIC)									
TONNES OF CO ₂ E/\$000 REVENUE	0.08	0.04	0.09	0.07	0.03	0.07	0.06	0.03	0.07
TONNES OF CO ₂ E/FTE	4.20	2.31	4.68	4.28	2.57	4.50	2.91	1.6	2.58
SCOPE 3 EMISSIONS (TONNES OF CO₂E)									
HIRE CARS & PERSONAL VEHICLES USED FOR BUSINESS	Not calculated for 2019			9	9	Not calculated	20.81	20.81	Not calculated
OFFSETS & NET EMISSIONS (TONNES OF CO₂E)									
OFFSETS	(2,233)			(43,000)			(15,021)		
NET EMISSIONS	127,851			46,860			92,220		
UNDERLYING ENERGY USE (MWH)									
TOTAL	Not calculated for 2019			370,606	24,245	346,360	434,343	29,308	405,035

- The 2022 tonnes of CO₂e includes material operations from National Aviation Services in addition to Menzies Aviation operations for the first time.
- 2022 shall now be our new baseline reporting year going forward for all reporting and in support of science based targets.
- FTE figures as at 31st December 2022 were used to calculate the tonnes of CO₂e intensity ratio.
- We continually improve our data collection and measurement processes, which may from time to time result in adjustments being made to previously stated values. We will always disclose where an adjustment has taken place and the reason/justification.
- Final 2021 Defra conversion factors applied to 2022 data.
- 2022 Underlying Energy Use based on scope 1 and 2 data only.
- Underlying energy use based on total scope 1 and 2. It excludes scope 3 and HVO.

Environment continued



Technology & Data

We're evolving data capture and analysis across all areas of our ESG strategy within our existing systems, as well by utilising technology to enable us to track and measure new dimensions, create new insights and evolve our approach.

We implemented ESG360° software to support our emissions data capture and analysis across scope 1, 2 and 3. In addition to data capture and carbon accounting, we are able to review physical climate risk analysis, undertake materiality reviews, scenario modelling, create decarbonisation pathways, and gain regulatory and legislative insights.

Our new Third Party Risk Management system will further support enhanced supplier ESG due diligence.

Our systems and data are hosted in energy efficient carbon neutral data centres, which are planned to be run using 100% renewable energy by 2025.

Employee Travel Survey

We completed our employee travel survey as part of our scope 3 analysis for category seven, to understand how our employees travel to work and measure associated emissions. The results gave us great insights and will enable us to look into solutions for how we might improve employee journeys and reduce associated emissions.

IATA IEnvA for Ground Handling Service Providers

We have partnered with IATA to implement their Environmental Assessment Programme, newly released for ground handling service providers.

The new standard has been verified in alignment with ISO14001:2015 standard, and is designed to provide a robust set of environmental management processes and controls with an industry specific focus for aviation ground services including ramp, cargo and de-icing. We are aiming for certification against the new standard by end 2023 and will be rolling it out across our global network during 2024.

Buildings, electric batteries and powering electric equipment

For our new operating licence in South Africa, we are undertaking total fleet replacement (ordered in 2022 for delivery in 2023) valued at circa \$20M. Our electric fleet will increase from 14.5% to 38.7% and includes:

- Baggage tractors.
- Belt loaders.
- Driveable passenger steps.

Take delivery in OSEA of 70+ electric or hybrid GSE including:

- Electric lower deck and main deck loaders.
- Electric pushbacks.
- Electric belt loaders.
- Electric baggage tractors.
- Electric passenger steps.
- Hybrid lavatory and water trucks.

In Prague, we have installed solar panels on our office and cargo warehouse, which we hope to be operational in H1 2023. It is expected these will generate enough power for us to reduce our emissions across our Prague operations by 25%.

Circularity

We recycle old electrical equipment in the UK and US either by donating it to socially responsible organisations who can refurbish it to be reused by communities, or through recycling organisations who can safely dismantle and recycle chips and other parts, avoiding landfill wherever possible.

We take a similar approach to donating and recycling any surplus office equipment. Within our ground operations, we have looked for ways to refurbish

and repower diesel baggage tractors to electric. In 2022 we opened our first conversion workshop in Las Vegas and have refurbished and repowered three tug MA-50's so far. We are working on creating new partnerships to expand our refurbishment opportunities enabling us to scale up internal and external refurbishments over next year.

We have set targets to refurbish and electrify 50 GSE assets by end of 2023, scaling up to approximately 100 assets per year thereafter through a mixture of internal workshop conversions and external partnerships.

Waste

We are undertaking waste analysis and setting new waste targets in 2023 across our global operations, for offices and also by service offering. In particular relating to cargo, removal of cabin waste, and within our lounges. Waste is already a top priority for many of our customers and we will continue to work closely with them to trial new processes that reduce waste and improve disposal and recycling, as well as engaging airports to support improvements.

Our cargo operations utilise various packing materials and our priority is to continue to reduce the volume of plastic use and waste, increase recycling and source materials that minimise any impact on the environment. Supplier assessment of cargo packaging will be carried out as part of our ESG due diligence within our new Third Party Risk Management solution in 2023.

Separately, we already work very closely with airports to manage, measure, capture and recycle de-icing fluid to ensure efficiencies are maximised and processes for waste management are controlled. With the support of our de-icing systems, such as Avtura, we already analyse our de-icing usage and optimise spraying techniques and mixes relative to the different temperatures and environments we work in, and efficiency in conjunction with water consumption.

“IATA is proud to support Menzies Aviation in their pursuit of IEnvA certification. Their commitment to sustainable aviation sets a strong example for the industry and demonstrates the positive impact of IEnvA certification in the aviation ground services space. IEnvA provides definitive guidance, aligned with internationally accepted management standards, to efficiently and effectively address a wide spectrum of sustainability matters that face the aviation industry today. Adopting IEnvA Standards allows the ground handler to effectively focus its resources on improving its environmental performance and make use of tried and proven best practices. IEnvA certification will support Menzies Aviation to drive sustainability, build trust, and deliver positive impact.”

**Marie Owens Thomsen,
SVP and Chief Economist,
Sustainability and Economics, IATA**

Environment continued

Our Paperless Initiative

We measure our printed paper usage through Papercut software across our networks and are always seeking ways to reduce paper consumption by digitising processes, collaborating with customers and other third parties to seek alternative ways of working and eliminate paper usage, as well as changing behaviours in our own operations. We have already made good progress with efficiencies in cargo (see page 16) and on the ramp but there is more to do. We have set a global reduction target of 15% in 2023 based on 'think before you print' and other existing technology initiatives, and plan to set further reduction targets in 2024 and beyond. In 2023 we plan to appoint local 'paperless' owners, provide local-level analysis and look more in depth at what is being printed at each location, with a view to further reducing this and identifying more ways we can digitise our processes.

Water

While our focus has previously been on our GSE, we are expanding our impact analysis to the volume of water we consume, particularly at a service level for de-icing, aircraft cleaning, aircraft toilet and water services, as well as in our lounges and own operations, where possible. It is our intention to set new efficiency targets in 2023 for water consumption. We are also working to optimise our fuel farms to reduce water and electricity consumption.

SAF and beyond

The sustainable aviation fuels (SAF) landscape is evolving rapidly. As a viable option for use now in the near-term, we support our airline customers as they seek to secure increased SAF supplies. Our fuel teams have already performed SAF refuels both in the UK and the US, and we safely handle SAF at our fuel farms. We're also ready to support new technology beyond SAF.

We are a signatory of Clean Skies for Tomorrow (CST), which is a coalition of airlines, airports, and oil companies that are aligning efforts to accelerate SAF to reach a target of 10% global fuel supply by

2030 (currently 1%). We are participating in the workstream to help drive forward SAF technologies. We also showed our support in 2022 for the Missions Possible Partnerships' Aviation Transition Strategy, aimed at achieving net-zero aviation by 2050.

2022 Deliverables

- ESG360° solution implemented.
- 198 new electric motorised GSE delivered.
- New electric GSE equipment types ordered in Europe for the first time included:
 - electric main deck loader in Budapest;
 - electric GPUs in Cluj and Otopeni;
 - electric cargo tractors in Budapest and Otopeni;
 - electric lavatory and water trucks in Budapest and electric lavatory truck in Oslo; and
 - electric pallet transporter in Gothenburg.
- Solar panels project in Prague.
- GSE conversion workshop opened in Las Vegas.
- Reducing paper in our cargo operations, and in our ground operations through technology.
- Partnership with Loop in Los Angeles LAX trialled new EV vans and implemented EV charging.
- Chaired the ASA Sustainability Committee.

2023 Priorities

- Complete our phase 3 ESOS audit.
- Approved SBTs and improved net-zero target.
- New waste and water targets.
- Implement new IATA IEnvA standard.
- 15% paper reduction target.
- Top suppliers complete scope 3 analysis, environmental risk assessment and due diligence.
- New cargo wrap solutions to lower environmental impacts and increase recycling.
- Scale HVO use in GSE.
- Expand and scale our refurbish and repowering of GSE assets.
- Global employee travel survey completed Q1.
- Our electric GSE fleet has already increased by 124 assets so far in 2023, and continues to grow.
- 25% of global motorised GSE to be electric by 2025.



Trees for Life

CASE STUDY

Rewilding the Scottish Highlands

We are passionate about protecting the natural environment we live in, particularly within the geographies we operate. In recognition of this, we are delighted to continue our corporate partnership with Trees for Life, by supporting their rewilding efforts and by making donations through our Menzies Aviation Corporate Grove, to plant native trees in the Scottish Highlands.

We are looking forward to supporting Trees for Life further in 2023 by volunteering at their Rewilding Centre in Dundreggan, where Trees for Life have been focusing rewilding efforts since 2008. By planting trees to create a new wild forest, allowing the forest to recover through natural regeneration and testing new tree growing and land management techniques, the land is now recovering from centuries of grazing and browsing by sheep, goats, cattle and deer. Over 4,000 species of plants and animals are found at Dundreggan, including many rare and protected species.

We have exciting plans for 2023 to greatly expand our support for the natural environment and rewilding into more geographies where we operate.

Pages printed globally in 2022

28m

Equivalent in trees

2,990

Target to reduce prints in 2023

15%