



Our Responsibility
Our Sustainability
Report 2022

OUR VISION

Avolon has built a leading position in aircraft leasing. The scale of our business reflects the ambition of our team, our shareholders and the values to which we ascribe. We are committed to pushing boundaries in everything that we do – to build stronger relationships with our customers and all industry stakeholders; to maintain an attractive and inclusive environment in which to work; and to invest back in our global community.

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Introduction

CEO MESSAGE



Dear Stakeholders,

Our 2022 report details the progress we have made against the five commitments outlined in our inaugural report last year. We want to continue our role as a leading actor in our sector on sustainability issues, and to maintain a business which places social responsibility and strong governance at its core.

Our corporate culture, as expressed by our TRIBE values, guides our behaviour and enables us to work together across the business to address the challenge that climate changes poses and the changes it requires from the aviation sector.

They also underpin our approach to managing and motivating our team to provide them with a working environment in which they can thrive, and where we use our resources and expertise to support the communities in which we operate, and humanitarian causes in need.

We also believe strongly in managing the business to the highest standards of governance, with robust financial and operational controls implemented to ensure that risk management is embedded throughout our business.

CLIMATE ACTION

Three out of our five sustainability commitments relate to the crucial journey aviation, and the global economy more generally, needs to undertake to address climate challenges. We believe that the most impactful near-term action airlines can take to reduce carbon emissions is to operate the youngest, most fuel-efficient aircraft available in the market. At the end of 2022, 55% of our portfolio by value was new technology aircraft, up from 50% in 2021, and we remain on track to hit our target of 75% by 2025.

We also continue to play a role as a thought leader and catalyst for progress on climate action measures. With Sustainable Aviation Fuel (SAF) a key lever to deliver on the industry's commitment to net zero carbon emissions by 2050, it is vital more work is done to explore how production can be rapidly scaled. To that end we launched a collaboration with Boeing, ORIX Aviation, SFS Ireland and SkyNRG to conduct a feasibility study into the production of SAF in Ireland.

We also set ourselves the goal of net zero emissions from our own operations by 2025. We support this by use of 100% renewable energy in our Dublin HQ, and careful waste management to ensure recycling and reuse where possible. We are working to increase our supply of green energy used in our own operations, and assessing a number of appropriate carbon offset schemes we can use where eliminating emissions is not possible.



CEO MESSAGE (continued)



OUR PEOPLE

Another commitment in our strategy is focused on our people and to ensure we foster and maintain a diverse and inclusive workforce. In 2022, our Diversity & Inclusion Committee conducted a series of workshops to develop a strategy to reinvigorate our approach. The overarching vision is a business that collectively believes we are strengthened by diversity, and where the senior leadership is committed to nurturing an open environment where people can bring their true selves to the workplace.

This commitment is tangible in our recently launched bespoke leadership development programme - Accelerate - designed to build capability, drive performance and sustain our culture. Half of the participants included in the first year-long programme are female which will strengthen the diversity of our leadership pipeline.

Additionally, we remain committed to industry wide initiatives like Women@ISTAT and the Advancing Women in Aviation Roundtable (AWAR), but we aspire to do more to pursue diversity goals in the future.

OUR COMMUNITY

Avolon's CARE programme continues as the focal point for our CSR activity and support for local communities where we operate. Our fifth commitment is to continue to build on our strong track record in this area, which we achieved with support for 47 individual projects and a total of \$750,000 committed in financial support. This included a \$200,000 donation to fund UNICEF's vital work supporting those impacted by the war in Ukraine.

A highlight for CARE in 2022 was also our ability to hold our first in person CARE Day since the start of the pandemic, with the whole company coming together for a fantastic day to transform the grounds and facilities of a primary school in North Dublin.

GOVERNANCE EXCELLENCE

Transparency and Respect are two of our TRIBE values and underpin our commitment to excellence in the governance structures that support and protect the business. Our renewed Executive Committee, to which we welcomed three new members last year, works closely with a strong and experienced Board who provide effective oversight and stewardship of our business.

Through our Business Integrity team, we have rigorous processes and controls in place to ensure that employees act ethically and know how to maintain consistent standards when navigating the wide variety of countries and cultures in which we do business.

LOOKING FORWARD

Having developed a clear strategy it is crucial that Avolon continues to take further steps to build a more sustainable business and seek new ways to challenge ourselves to ensure we remain an industry leader in our approach to ESG. The recovery of the aviation sector is supporting improved financial performance, but also puts a renewed onus on us to ensure that we do not lose sight of our social and environmental responsibilities.

Andy Cronin

Chief Executive Officer



ABOUT US

ONE OF THE LARGEST GLOBAL LESSORS

With an owned and managed fleet of 576 commercial aircraft and assets of \$31 billion, Avolon is one of the largest aircraft lessors in the world. We have a full-service platform with deep expertise in managing each phase of the aircraft leasing life cycle.

273 EMPLOYEES ACROSS 6 OFFICES

Our team, our TRIBE, is the key differentiator for our business. We have relentlessly focused on investing in, developing, motivating and retaining skilled colleagues who are dedicated to working as a team to support our customers and deliver for our investors and shareholders.

ATTRACTIVE FLEET OF NEW TECHNOLOGY AIRCRAFT

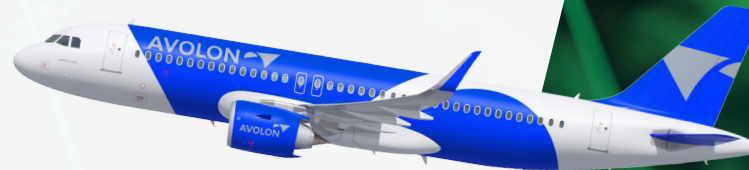
We invest in the youngest and most fuel-efficient aircraft available today and we use our capital to back new technologies that will deliver further fuel efficiencies in the future. Our orderbook of 258 aircraft is entirely new technology. In 2022, we completed the placement of our order for up to 500 zero emissions eVTOL aircraft, positioning us at the forefront of the transition to clean technologies.

146 CUSTOMERS IN 63 COUNTRIES

Along with our people, our customer relationships are our greatest asset. As the aviation sector continues its rapid recovery from the COVID-19 pandemic we are working closely with customers who are looking to expand fleets to accommodate high levels of passenger demand.

INVESTMENT GRADE RATINGS

We maintain investment grade ratings with four rating agencies. While these ratings are driven by our strong market position, low leverage and strong liquidity, they also reflect our broader risk management approach as discussed in this report.



ABOUT US

(continued)

Our TRIBE values

Our corporate values - embodied in the acronym TRIBE - form the basis of how we run our business and how we interact with one another and with all of our stakeholders. Our TRIBE is who we are and what unites us as a company.

TRIBE



Transparency

Transparency is to operate in a way that it is easy for others to see what we are doing and why we are doing it.

It is the sharing of information, clear communication, being fair, honest and trustworthy.



Respect

Respect for ourselves guides our morals; respect for others guides our manners.

At Avolon, we command respect in the workplace, in our internal and external relationships and in ourselves.



Insightfulness

Insightfulness means creating solutions and identifying opportunities by thinking “outside of the box”.

Insightfulness drives consistent learning and enables us to continually strive to make better decisions.



Bravery

Bravery means maintaining our individuality and integrity. It is displaying leadership, showing decisiveness and having self-motivation. It is about taking measured risks and constantly looking to innovate.



Ebullience

Ebullience is the feeling that we can achieve almost anything, but most importantly, have fun along the way.

We approach each transaction and each relationship as a new and exciting challenge, we are proud of what we do and ensure that we enjoy doing it.

OUR RESPONSIBILITY

THE CLEAR STRATEGY AND TARGETS WE HAVE IN PLACE FOR ESG ARE INDICATIVE OF THE IMPORTANCE WE PLACE ON MAINTAINING OUR SECTOR LEADERSHIP IN THIS AREA.

A sense of collective responsibility is core to moving the aviation sector to a more sustainable footing. We endeavour to be a leader not only in how we conduct our business, but also in how we interact with our stakeholders and leverage our broad influence and global reach.

Our Sustainability Strategy Pillars



Climate Action

We aim to protect our environment

Our People & Our Community

We care for our people and community

Governance Excellence

We are a responsible business

GOVERNANCE OF SUSTAINABILITY

RESPONSIBILITY FOR MANAGING RISKS

Ultimate responsibility for management of risk and strategy lies with the Avolon Board of Directors, but day-to-day management of risk is the responsibility of internal departments.

RISK MANAGEMENT COMMITTEE

Our Risk Management Committee meets quarterly to consider risks across capital, portfolio, operational and ESG issues and remains Avolon's highest level of risk governance.

SUSTAINABILITY STEERING COMMITTEE / HEAD OF SUSTAINABILITY

In addition to the Sustainability Steering Committee, Rosemarie O'Leary was appointed as Head of Counterparty Risk and Sustainability to communicate, drive progress, and lead strategic partnerships across our sustainability pillars.

SUPPORT FOR THE SUSTAINABLE DEVELOPMENT GOALS



We continue our commitment to support the United Nations (UN) Sustainable Development Goals, which constitute a universal call by the UN to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere by the target date of 2030.

Our sustainability strategy pillars remain shaped with the UN Sustainable Development Goals in mind. Each pillar targets a number of the Goals.

GOALS TARGETED

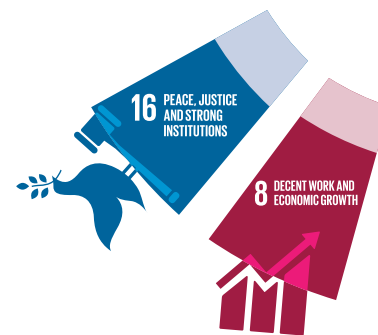
CLIMATE ACTION

The decarbonisation of aviation requires new technologies. We will invest in innovation and back new technologies that can reduce the carbon emissions from commercial aviation, reduce climate change and improve life on land.



GOVERNANCE EXCELLENCE

By conducting business responsibly and aiming for the highest standards of corporate governance, we are building a sustainable business.



OUR PEOPLE & OUR COMMUNITY

Education, good health and gender equality are core elements of our Caring for Our People and Our Community pillar. We aim to provide highly engaging work for our employees and to care for their physical and mental health.



SUSTAINABILITY HIGHLIGHTS

55%
New technology aircraft



eVTOL
Fully placed our 500 Zero emission eVTOL aircraft and hosted first eVTOL symposium

People
Created Head of Sustainability role



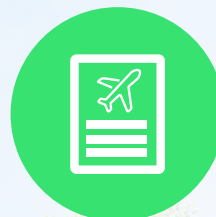
SAF
Launched SAF Feasibility Study in Ireland with strategic industry partners

35%
35% of our customers have made Net Zero commitments, complementing IATA and ICOA's industry goals



ESG
Inaugural Sustainalytics ESG rating of 16, indicating low risk

100%
New Technology Orderbook



Renewables
100% renewable electricity in global headquarters

D&I
D&I program refreshed for relaunch in 2023



\$750,000
Contributed by our CARE CSR programme across 46 initiatives in 2022.

ON THE RIGHT TRACK

OUR COMMITMENTS

1

ENSURE >75% NEW TECHNOLOGY AIRCRAFT BY 2025

2

BE A THOUGHT LEADER ON FUTURE TECHNOLOGIES

3

NET ZERO IN OUR OWN OPERATIONS BY 2025

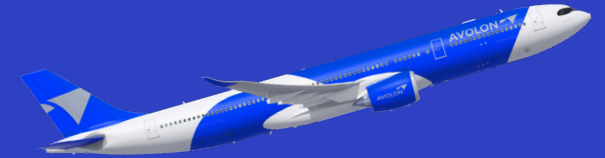
4

ENSURE A DIVERSE & INCLUSIVE WORKFORCE AND MANAGEMENT TEAM

5

CONTINUE TO DEVELOP OUR CARE PROGRAMME

OUR PROGRESS



- 55% new technology as at year end, progressing towards our 75% target
- Continue to enable the most fuel-efficient fleet solutions for airline customers



- Hosted Inaugural eVTOL symposium in June 2022
- Progressing SAF feasibility study in Ireland
- Achieved 16.0 “Low Risk” Sustainalytics rating
- Active advocate in our industry



- Assessing green gas sourcing with our supplier and alternative energy swaps
- Assessing alternative carbon offset projects supporting SAF production as well as biodiversity focused programmes
- Progressing transition waste pilot



- D&I strategy refreshed for 2023
- Sponsorship of AWAR and Women@ISTAT & Rising Executive Programmes
- Accelerating our people development with Accelerate programme
- Implemented a new career development competency framework



- 2022 theme - Youth and Education
- First all-company in-person CARE Day since 2019
- 2023 CARE strategy aligned with D&I agenda in the community
- Support for those impacted by war in Ukraine

Materiality



FORMS OF STAKEHOLDER ENGAGEMENT

2022 BROUGHT A RETURN TO MORE REGULAR FACE-TO-FACE INTERACTIONS WITH OUR STAKEHOLDERS AND SUSTAINABILITY WAS A CORE THEME OF OUR ENGAGEMENTS.

AIRLINE CUSTOMERS

Our global origination team, technical team, and risk team interact with our airline customers on a regular basis to discuss fleet transition plans, business strategy, and industry developments, in addition to delivering and redelivering aircraft.

- New technology orderbook
- Capital funding for sale and leaseback transactions
- Future technology
- Industry thought leadership
- Sustainable initiatives

EMPLOYEES

We maintain a flat organisational structure where employees have access to senior management. We organise regular CEO calls, annual engagement surveys, intranet, 30/30 career and performance conversations for every employee. We work in cross functional deal teams and share knowledge in regular team discussions. Every employee has the opportunity to engage with our CARE, Fit for Purpose (FFP) and D&I committees and are encouraged to share their innovative ideas.

- Career development
- Company objectives
- Sustainability agenda
- D&I
- Fitness of mind & body

SHAREHOLDERS, LENDERS & INVESTORS

We hold quarterly and ad-hoc board meetings with our shareholders. Our capital markets and investor relations team engage with our banking partners and our debt investors on a regular basis and through quarterly earnings calls, conferences, and in-person meetings.

- Fleet strategy and transition to new aircraft
- Corporate governance and independence from shareholders
- Company performance
- Credit rating
- Sustainability rating
- Industry outlook

OEMS/SUPPLIERS

Our suppliers comprise of a relatively small group of aircraft, engine and parts manufacturers, aircraft maintenance service providers and professional services firms. Due to the focused nature of our business, we maintain dedicated teams to manage supplier relationships. We onboard new suppliers using our Business Partner Code of Conduct

- Fleet strategy and transition to new technology aircraft
- Strategy for investing in new technologies
- Aircraft supply and demand
- Recycling waste
- Sustainability policy initiatives

OUR COMMUNITY

Through our corporate social responsibility programme CARE, we support a number of local and international charities financially and with our time. Focus areas include youth, education, health, and tackling social disadvantage. Many of our initiatives are employee-led and we actively encourage participation in events with team and individual CARE days.

- D&I
- Social innovation
- Support for UN development goals
- Crisis relief
- Our environmental footprint
- Entrepreneurialism

INDUSTRY ASSOCIATIONS

We support industry associations who engage with governments and regulators on a regular basis. Examples include ISTAT, Aircraft Leasing Ireland (ALI), and the Aviation Working Group (AWG) where our senior leadership hold board and committee positions.

- Our environmental strategy
- Contributions to policy debate
- Aviation industry's strategy to decarbonise
- Diversity and inclusion strategy
- Developing talent in the industry

MATERIALITY ASSESSMENT

We have identified 25 Economic, Environmental, Social and Governance topics which we believe are material to our stakeholders in forming a

sound and reasonable assessment of our organisation. We performed a materiality assessment to rank our material topics in order of importance

for both stakeholders and Avolon. The diagram below shows the relevant importance of our material topics*.

THE MATERIALITY ASSESSMENT WAS CONDUCTED TO GUIDE US ON THE ISSUES THAT ARE MOST IMPORTANT TO OUR STAKEHOLDERS.



Our materiality assessment has also taken input from:

- Gap assessment prepared by an external advisor.
- Employees with responsibility for managing stakeholder relationships.
- Stakeholder communications, in particular the ESG and sustainability reports of our customers, investors and suppliers.
- ESG questionnaires received from stakeholders.
- Participation at industry conferences.
- Industry best practice and professional guidance on material ESG issues.

* The GRI Standards are evolving and from 2023, 'Core' and 'Comprehensive' reporting options are replaced with one consistent approach. We will continue to make progress and improve our materiality assessment approach & reporting to meet the requirements of the revised framework. Whilst there are no significant changes to the current standing of the material topics, we acknowledge that these topics will need to be further assessed taking into account the requirements of the new approach, which potentially could result in the emergence of new material topics and shifts in relative priority ratings.

MATERIAL TOPICS & MANAGEMENT APPROACH



MATERIAL TOPIC	BOUNDARY	MANAGEMENT APPROACH
Valuation / Profitability	Avolon, shareholders, lenders, investors	Quarterly audit committee, risk management committee and board meeting; transparent quarterly earnings reports to investors.
Asset Risk Management	Avolon, shareholders, lenders, investors	Proprietary models developed to assess asset liquidity and future value retention prospects.
Counterparty Risk Management	Avolon, customers, shareholders, lenders, investors	Proprietary models, financial and strategic analysis and customer dialogue to assess risk of default for each customer.
Shareholder Governance Framework	Avolon, shareholders, lenders, investors	Comprehensive shareholders' agreement, with strict provisions regarding related party transactions.
Liquidity and Funding	Avolon, shareholders, lenders, investors	Investment grade rating provides continued access to US bond market. Liquidity is maintained in excess of rating agency metrics.
Supplier and Customer Relationships	Avolon, OEMs, suppliers, shareholders, lenders, investors	Dedicated customer engagement team covering each customer and supplier.
Climate Change	Avolon, customers, our community	Invest in young fuel-efficient new technology aircraft, back future technologies, reduce and offset own emissions, and actively engage in policy debate.
Own GHG Emissions	Avolon, industry groups, our community	Energy-efficient offices, utilise power from renewable sources.
Operational Efficiencies	Avolon, our community	Energy-efficient offices with sensor LED lighting, promote use of personal electronics over paper printing.
Waste Management & Recycling	Avolon, our community	Segregated recycling policy across all offices, 0% of waste to landfill.
Water Management	Avolon, our community	Operate a water management system to minimise the water consumption in daily operations and use technology such as touchless taps and occupancy sensors.

MATERIAL TOPICS & MANAGEMENT APPROACH (continued)



MATERIAL TOPIC	BOUNDARY	MANAGEMENT APPROACH
Human rights	Avolon, employees, our community	Avolon Code of Conduct; Business Partner Code of Conduct published in 2021 and updated during 2022.
Community engagement & charity	Avolon, our community	Our CSR programme CARE actively engages with charities, community organisations and NGOs.
Employee engagement & development	Avolon, employees	Weekly employee communications, annual Employee Engagement Survey, focus on personal development, Accelerate and LinkedIn Learnings programmes.
Diversity & inclusion	Avolon, employees, our community	Diversity and Inclusion committee drives the D&I strategy and implementation across Avolon's policy framework.
Succession planning	Avolon, employees	Comprehensive succession plan executed in 2022 with an emphasis on technical and management skills.
Employee remuneration & incentives	Avolon, employees, shareholders	Remuneration packages benchmarked against market, comprehensive non-financial benefits.
Employee health & safety	Avolon, employees	Health & safety policy implemented across all offices.
Business ethics and compliance	Avolon, employees, shareholders, lenders, investors	Code of Conduct based on TRIBE values. Business Integrity team oversees broad compliance policy framework.
Business transparency	Avolon, shareholders, lenders, investors	Quarterly audit committee, risk committee and board meeting; transparent quarterly earnings reports to investors.
Information security	Avolon, customers, employees	Comprehensive policies and procedures in place to manage information security risk with a focus on regular employee training.
Supply chain compliance	Avolon, OEMs, & suppliers	Business Partner Code of Conduct published in 2021 and updated during 2022.
Work practices	Avolon, employees, shareholders	Employee Code of Conduct in place.
Internal audit & controls	Avolon, shareholders, lenders, investors	Comprehensive internal audit programme outsourced to a highly reputable professional services firm.
Business continuity planning	Avolon, employees, shareholders, lenders, investors	Comprehensive business continuity plan implemented during COVID-19 with no material issues.



Climate Action



INTRODUCTION

WHILE THERE IS STILL MUCH WORK TO BE DONE, EFFORTS BY AIRCRAFT LEASING COMPANIES SHOW THAT THE AVIATION INDUSTRY IS COMMITTED TO REDUCING ITS CARBON FOOTPRINT AND MITIGATING THE IMPACT OF AIR TRAVEL ON THE ENVIRONMENT.

THE DEFINING CHALLENGE OF OUR GENERATION

The effects of climate change are already having a clear impact on our planet. They will only become more severe if we do not take action to mitigate the causes. Climate change is the defining challenge of our generation and requires a globally coordinated response.

OUR APPROACH

Our Environmental action approach at Avolon is viewed through the lens of our fleet composition and our direct emissions. Since inception, Avolon has focused on maintaining a young, fuel-efficient fleet which is easily marketable and minimises residual value risk. As a result, the aircraft we acquire are the most fuel-efficient models in production. This has led us to become one of the most environmentally efficient aircraft leasing companies globally.

A focus of our operations has been to locate in highly energy-efficient offices, and to seek further ways to reduce our energy consumption and waste, and to offset our emissions that cannot be eliminated. As the industry moves beyond the immediate challenges of the pandemic there is renewed focus to accelerate the progress towards decarbonisation.

THE NEXT 10 YEARS ARE KEY

Aircraft leasing companies play a significant role in the aviation industry and are taking steps to address the carbon emissions associated with air travel. Avolon's industry position as a top global aircraft lessor demands that we use our expertise, our relationships and our capital to help drive the decarbonisation of aviation. While the next 10 years will present many challenges, they also present a significant opportunity to take bold and meaningful action on climate change to build a more sustainable future for all.



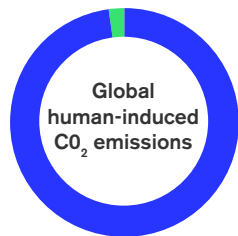
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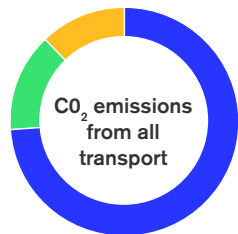
AVIATION'S IMPACT ON THE ENVIRONMENT

ENVIRONMENTAL IMPACT

Aviation is an essential sector connecting people and economies, but its role is increasingly being challenged by its contribution to global climate change. Aviation currently represents approximately 2.5% of global CO₂ emissions and 12% of all emissions from the transport sector.



- Other CO₂ producers: 97.9%
- Aviation: 2.5%



- Road Transport: 74%
- Other: 14%
- Aviation: 12%

CONTINUED GROWTH

Aviation has grown over the last 20 years at an approximate rate of 5% per annum. Growth is expected to continue, driven by expanding middle classes in emerging economies and the continued rise of low-cost airlines that stimulate new demand. Without increasing the pace of decarbonisation from the current 1.5% reduction in CO₂ emissions per passenger mile per annum, emissions from aviation will continue to rise.

ECONOMIC BENEFITS

Aviation supports 1% of global GDP directly and 8% indirectly by enabling connections that are integral to families, businesses, and cultural exchange. Air travel is the world's rapid transport network, essential for trade, business, tourism, and economic growth. Every day, 128,000 flights take off, carrying 12.5 million passengers and \$18 billion of world trade. It directly supports over 65 million jobs.

Aviation also supports social development and the tourism industry relies heavily on aviation. Without the connectivity flight provides, many countries that rely on a steady inflow of tourists would not enjoy their present levels of economic growth.

2.5%

The global aviation industry produces around 2.5% of all human-induced CO₂ emissions.

12%

Aviation is responsible for 12% of CO₂ emissions from all transport sources compared to 74% from road transport.

80%

Around 80% of aviation CO₂ emissions are emitted from flights of over 1,500km for which there is no practical alternative mode of transport.

INDUSTRY RESPONSE

THE AVIATION INDUSTRY IS MAKING CLEAR COMMITMENTS TO PROGRESS THE SUSTAINABILITY AGENDA.

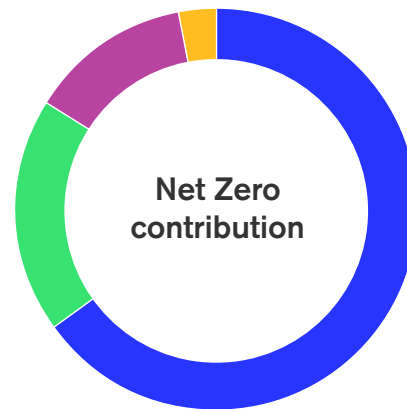
Recent achievements

In the past decade, airlines and lessors have spent over a trillion dollars on more efficient aircraft; the aerospace sector has spent over \$150bn in efficiency-related R&D; CO₂ emissions per seat kilometre have improved by 21.5%; ten new (and significantly more efficient) aircraft types have entered service; and 365,000 flights have taken off on sustainable aviation fuel (which was not even certified until 2011). Also, the world's first CO₂ standard for aircraft and the first carbon pricing mechanism for a single global sector were negotiated and adopted at the International Civil Aviation Organisation (ICAO). By any measure this reflects huge progress in the decarbonisation of aviation.

Two of the main aviation industry groups have made clear commitments to emissions reduction:

1. **IATA:** in 2021 IATA members agreed at their AGM a resolution committing to achieving net zero carbon emissions from their operations by 2050
2. **ICAO:** in 2022 the ICAO adopted a long-term aspirational goal (LTAG) for international aviation of Net Zero carbon emissions by 2050

CONTRIBUTING TO ACHIEVING NET ZERO CARBON IN 2050



- Sustainable aviation fuel: **65%**
- Offsetting / carbon capture: **19%**
- New technologies: **13%**
- Infrastructure / operations: **3%**

Source: Air Transport Action Group, Waypoint 2050 report (September 2021) report and Aviation Benefits Beyond Borders report (September-2020).



by 2050

Airlines and industry associations representing more than 300 airlines have made commitments to reach Net Zero CO₂ emissions by 2050.



21.5%

Reduction in CO₂ emissions per seat in the past 10 years.



1.5x faster

In the past 20 years the aviation industry has reduced emissions 1.5 times faster than the global economy.



65% SAF

IATA forecasts sustainable aviation fuel may account for up to 65% of the reduction in emissions. SAF can be used in our existing aircraft engines subject to regulatory limits.

INDUSTRY RESPONSE AIRCRAFT LEASING IRELAND

AIRCRAFT LEASING IRELAND HOSTED ITS FIRST GLOBAL AVIATION SUSTAINABILITY DAY ON OCTOBER 27TH 2022.

Avolon was a proud signatory of the ALI Sustainability Charter underpinning our ambition to support the wider industry to achieve net zero carbon emissions by 2050. The ALI Charter is aligned with Avolon’s ambitions and commitments and further strengthens our ability to drive for transparent reporting.

Transparency in reporting is the first step to the creation of a level playing field in how the aviation industry communicates progress to stakeholders.



Rosemarie O’Leary, Avolon’s Head of Counterparty Risk and Sustainability at the launch of the ALI Sustainability Charter.



SUSTAINABILITY CHARTER



INCORPORATING ESG SCORING INTO AIRLINE RATING MODEL

OUR AIRLINE RATING MODEL HAS EVOLVED TO INCLUDE AN ESG SCORE CAPTURING OUR CUSTOMERS' SUSTAINABILITY AGENDAS, AMBITIONS, AND PROGRESS.

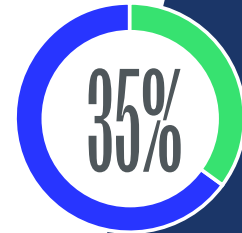
A risk-based approach is central to our portfolio management. All customers are assigned a risk category which not only assesses their forward-looking financial health but considers a number of factors, including Environmental, Social and Governance initiatives completed or in progress.

In parallel, our asset rating model comprises asset ratings scored across five levers, of which 'Operating Efficiency' is a key factor.

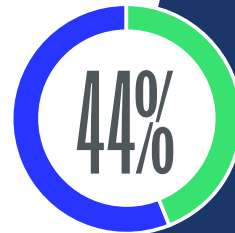
The ratings empower teams to structure transactions effectively on new asset investments as well as assess overall portfolio targets and inform our capital allocation process.

We actively engage with our customers to support their initiatives and identify collaboration opportunities.

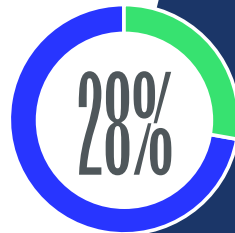
WE EXPECT THE WEIGHTING PLACED ON THIS ESG SCORING MODEL TO INCREASE AS GLOBAL AIRLINES PROGRESS ALONG THE IATA PATHWAY TOWARDS THE NET ZERO 2050 TARGET



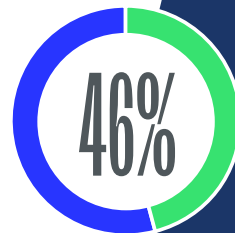
OF OUR CUSTOMERS HAVE MADE A COMMITMENT TO NET ZERO BY 2050



OF OUR CUSTOMERS HAVE SET A TARGET FOR IMPLEMENTATION OF SUSTAINABLE AVIATION FUEL



OF OUR CUSTOMERS HAVE AN ESG RATING FROM A RECOGNISED PROVIDER



OF OUR CUSTOMERS ALLOW PASSENGERS TO OFFSET THEIR CO₂ EMISSIONS

FOCUS ON YOUNG FUEL-EFFICIENT AIRCRAFT NEW TECHNOLOGY ORDERBOOK

WE BELIEVE THAT THE MOST IMPACTFUL NEAR-TERM ACTION AIRLINES CAN TAKE TO REDUCE THEIR CARBON INTENSITY IS TO OPERATE THE YOUNGEST, MOST FUEL-EFFICIENT AIRCRAFT AVAILABLE IN THE MARKET.

NEW TECHNOLOGY ORDERBOOK DELIVERS 20% TO 30% LOWER FUEL BURN PER SEAT

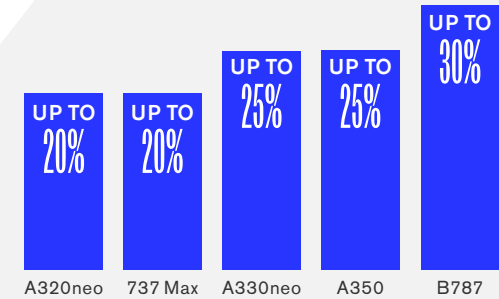
OUR NEW TECHNOLOGY ORDERBOOK

We have made a commitment to increase the proportion of our fleet invested in new technology in our passenger fleet to at least 75% by year end 2025. New technology aircraft use the most advanced materials, engine design, and manufacturing processes to improve the aircraft's fuel efficiency,

as well as reducing hazardous carbon, nitrogen oxide and other emissions, including noise footprint.

Our committed fleet of 258 aircraft is entirely comprised of new technology aircraft with advanced design features. By investing in these aircraft which have greater fuel efficiency and emit fewer emissions, we are helping our customers reduce their global environmental footprint. The need to replace ageing aircraft is an important driver of new

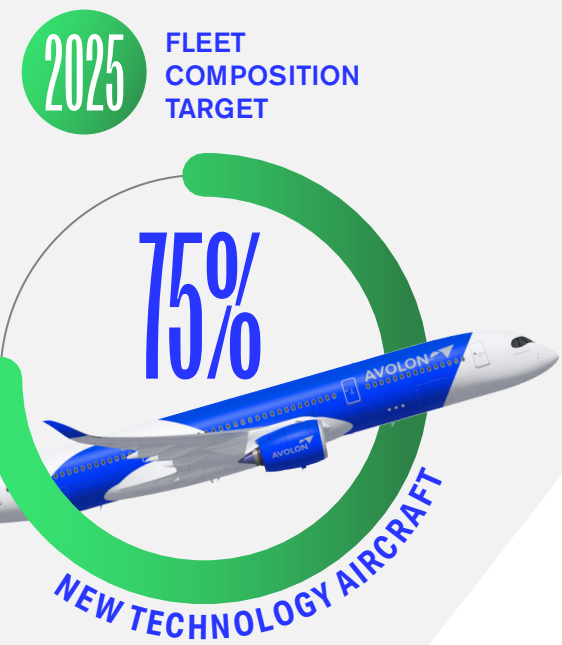
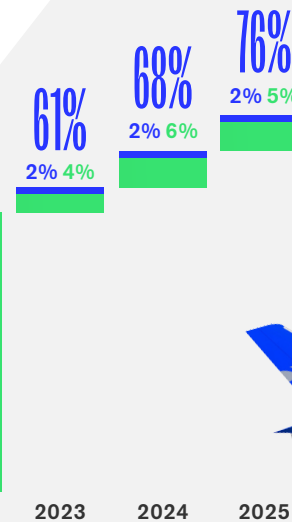
aircraft demand as airlines focus on fleet modernisation. Aligned with the needs of our customers, reduced fuel consumption, emissions and noise are our priority when ordering aircraft. By focusing on these qualities, we are increasing the proportion of aircraft with improved environmental performance in the world's fleet.



OUR TRANSITION TO NEW TECHNOLOGY AIRCRAFT (% OF FLEET)



2022: 55% NEW TECHNOLOGY AND 6.1 YRS AVERAGE AGE



■ Committed orderbook
■ Anticipated net New Technology pipeline acquisitions

BACKING ELECTRIC AVIATION

SUPPORTING AIRLINE PARTNERS IN THEIR DECARBONISATION JOURNEY & ACCELERATING ZERO-EMISSION FLIGHT



Actively promoting the electric aviation industry to make zero-emission flight a reality

Our team has been part of numerous panels around the world including AIRTAXI Summit, Morgan Stanley eVTOL conference, AFJ North America, Airline Economics North America, EASA APAC Forum, PWC Aviation Insider HKG, AirFinance Journal Dublin, amongst others.

Enabling the Advanced Air Mobility (AAM) ecosystem

Avolon has partnered with global aviation and airport leaders to accelerate the introduction of eVTOL operations in Brazil. The partnership with Corporación América Airports, the largest global private sector airport operator; Grupo Comporte, a leading Brazilian transport provider; and Vertical Aerospace will seek to define infrastructure requirements for operations in Brazil.

Pioneering financing solutions for the aircraft of the future

Avolon is working with manufacturers, financiers and appraisers to stimulate financing options for revolutionary aircraft designs for which markets do not currently exist.

Avolon hosted the first Advanced Air Mobility Symposium: 'Making eVTOL a Reality'

Attended by 125 people from leading airlines, regulators and eVTOL ecosystem developers. A White Paper was published to share key takeaways.

eVTOL Orderbook

In 2022, through its investment in innovation affiliate Avolon-e, Avolon entered MOUs with AirAsia, Gözen Holding and Air Greenland, fully placing its initial order commitment for 500 VX4 aircraft.

Award Winning eVTOL deals

Avolon was awarded the inaugural Sustainability Overall Deal of the Year by Airline Economics for its 500 VX4 eVTOL aircraft order.

SUSTAINABLE AVIATION FUEL (SAF)

AVOLON IS EXPLORING HOW TO SCALE SAF PRODUCTION.

SAF FEASIBILITY STUDY

Sustainable Aviation Fuel (SAF) is a commercially used fuel that reduces lifecycle emissions by up to 80%, creating the opportunity to significantly lower aviation's reliance on fossil fuels, as well as its overall emissions. IATA sees SAF contributing c.65% of the reduction in emissions needed to enable the aviation sector to reach its net zero target by 2050.

In 2022 Avolon announced a collaboration with Boeing, ORIX Aviation, SFS Ireland and SkyNRG, to conduct a feasibility study into the production of SAF in Ireland. This partnership reflects Avolon and our partners' commitment to being thought leaders in the development of future technologies that reduce the aviation sector's carbon footprint.

The planned growth of renewable energy sources makes Ireland a potential location for SAF production. As a global leader in aviation finance and airline operations, Ireland is home to key stakeholders in aviation's decarbonization journey.

The findings of this study are expected to be published later in 2023.

PARTNERS



It's imperative that the aviation sector delivers on its promise to invest in innovation to reduce its carbon footprint. We are delighted to be partnering with a team of global experts who have a shared ambition of being at the forefront of sustainable innovation that will reshape the future of aviation. The path to net zero requires a combination of new technology aircraft and large-scale deployment of SAF, and this project will explore sustainable solutions to accelerate decarbonization.

Andy Cronin
Chief Executive Officer

CIRCULAR ECONOMY

REUSE & RECYCLE

WHILE WE MAINTAIN A YOUNG FLEET WE CONSIDER THE FULL LIFE CYCLE OF EACH AIRCRAFT TO SUPPORT OUR COMMITMENT TO SUSTAINABILITY.

REUSE: FREIGHTER CONVERSION

We seek to extend the life of a proportion of our aircraft through freighter conversion opportunities, which reduces the impact of aircraft decommissioning on the environment.

In 2021 we announced a strategic partnership with Israel Aerospace Industries ('IAI') that secured us 30 A330-300 P2F cargo conversion slots between 2025 and 2028. Through 2022 we have been working closely with IAI on our engineering approach to the planned conversions and progressed through the development phase.

The converted IAI A330-300 will be capable of carrying 20% more cargo than the 767-300ER, its nearest competitor. With a range of over 3,600 nautical miles at maximum payload of up to 61 tonnes, it is uniquely placed to support the forecasted growth in e-commerce over the next 20 years.

RECYCLE

Where aircraft reach their end-of-life in passenger operations and freighter conversion is not possible, we are committed to removing these aircraft from service (decommissioning) in a sustainable manner.

Avolon works with accredited and certified consignment and end-of-life partners such as Eirtrade, Aersale and VAS. Our partners are members of the Aircraft Fleet Recycling Association (AFRA).

In 2022 we consigned our first engines for part-out and three additional airframes, bringing the total assets consigned for part-out and recycling to 17 at year end.



CIRCULAR ECONOMY

REUSE & RECYCLE

Case Study

IN 2022 WE CONDUCTED A CASE STUDY ON TRANSITION WASTE MANAGEMENT TO FURTHER CHALLENGE OUR APPROACH TO RECYCLING AND REUSING MATERIAL AS AIRCRAFT TRANSITION FROM ONE CUSTOMER TO ANOTHER.

CLIMATE ACTION

- Working with buyers and partners in and outside the aerospace industry to recycle and reuse material from projects and reduce waste being scrapped in landfills.
- Bulky monuments, seats and in-flight entertainment technology is sold, repaired and recycled in the aftermarket with our long-established partners.
- Crates and packaging re-used to transport recycled kits.

COMMUNITY

- Partnerships with aircraft suppliers, artisans, and NGOs to upcycle soft furnishings removed from aircraft.
- Soft furnishing examples include passenger seat covers, curtains, and carpets.
- A positive example is collaborating with Soisa Aircraft Interiors, a supplier of passenger seat covers for large OEMs.
- Soisa send their scrap material for upcycling to the Tarahumara indigenous tribe based in Chihuahua, Mexico.
- The Tarahumara tribe are artisans who produce traditional goods such as handmade wallets and woven baskets with these materials.

BENEFITS

Benefits that have been demonstrated in this pilot project include:

- Less use of landfill as scrapped material is reused and components resold or recycled
- Provision of materials to support livelihoods of vulnerable communities.

NEXT STEPS

There is potential to scale up our fleet management activities and apply these recycle and reuse principles across waste generated in all our MRO and aircraft decommissioning work.

Avolon is actively working with industry experts and collaborating with our OEM, supplier and consignment partners to design processes to overcome logistical challenges and implement an optimal ESG approach throughout this aspect of our business.



Soisa
AIRCRAFT INTERIORS



EFFICIENT OWN OPERATIONS

Office Energy Rating:
LEED GOLD



MEASURE REDUCE OFFSET

We are committed to continually assessing the emissions generated from our day-to-day operations to allow us to identify areas to reduce and eliminate. We look to have a positive impact on our emissions through reductions in consumption, partnering with green energy providers, and implementing new and efficient technologies.

We have a range of measures in place to reduce the environmental impact of our own operations:



Indoor environmental factors such as humidity, temperature and CO₂ levels are continuously monitored in our Dublin headquarters to provide the highest quality workplace



Building designed to maximise levels of daylight throughout the office



100% of electricity for our Dublin office acquired from renewable sources



Energy-efficient lighting with LED throughout, controlled using daylight and proximity sensors



Use of energy recovery ventilation



We support cycle to work schemes and public transport options where appropriate, and we have shower facilities on-site for staff who cycle, walk, or run to work



We promote use of hybrid and electric vehicles by providing free on-site charging facilities, with an enlargement in our charging infrastructure in 2022 to cover up to 35 vehicles



We provide home office technology and furniture to promote work from home and reduce office commuting



Our food provider in Dublin is a member of the Irish government supported Origin Green programme and this year achieved a silver EcoVadis sustainability rating



Building-wide outgoing waste separation with multi-stream recycling. We have removed single-use plastics from our offices

MEASURING OUR CARBON FOOTPRINT

BUSINESS TRAVEL

We recognise that business travel is a material source of carbon emissions. During the pandemic we learnt ways of using virtual meetings more effectively, but maintaining close relationships with our customers, investors and other stakeholders is fundamental to our business, and necessitates a certain level of international travel. We are carefully measuring our business travel emissions with a view to reducing flights where appropriate and offsetting residual emissions in the near future.

MEASURING EMISSIONS

In this Report we provide emissions data for our offices (electricity and natural gas), business travel, and leased and managed aircraft. Our Dublin headquarters represents 76% of our global office space. We approximate emissions for our global offices based on emissions from our headquarters.

SCOPE 1 EMISSIONS

Our Scope 1 GHG emissions arise primarily from the combustion of natural gas for the heating of our offices.

SCOPE 2 EMISSIONS

Our Scope 2 GHG emissions are indirect emissions from electricity acquired to power our global offices. 100% of electricity consumption for our global headquarters is acquired from certified renewable sources.

SCOPE 3 EMISSIONS

Scope 3 emissions include business travel (commercial air transport, public transport and executive travel) and the emissions of our owned and managed aircraft. We will continue to assess, gather data, quantify and include Scope 3 GHG emissions for upstream and downstream categories that are relevant and material to our business. With the easing in pandemic restrictions in 2022 the increase in Scope 3 emissions is explained by the gradual normalisation of air travel through the year. As the financial performance of the aviation sector improves this will also support airlines' ability to invest in their transition to new technology fuel-efficient aircraft.

EMISSIONS DISCLOSURE*

	2019	2020	2021	2022
Scope 1 GHG emissions (tCO₂e)				
Natural gas combustion	340	508	376	367
Total Scope 1 emissions	340	508	376	367
Scope 2 GHG emissions (tCO₂e)				
Acquired electricity	94	78	73	66
Total Scope 2 emissions	94	78	73	66
Scope 3 GHG emissions (tCO₂e)				
Business travel	5,225	1,439	1,315	3,242
Leased aircraft	15,900,000	6,950,000	8,750,000	11,580,000
Managed aircraft	2,190,000	900,000	920,000	1,150,000
Total Scope 3 emissions	18,095,225	7,851,439	9,671,315	12,733,242

Source: IBA and Aviation Working Group (AWG) Carbon Calculator.

* We are continuing to refine our measurement and estimates of our emissions. Discrepancies to past disclosures may result from changes in third-party providers reporting of emissions and changes in the way we estimate our emissions.



TRIBE

Our People & Our Community



INTRODUCTION

WE SEEK TO CREATE A POSITIVE WORK ENVIRONMENT WHERE OUR EMPLOYEES FEEL CONNECTED TO AN ORGANISATION WHICH VALUES THEM AND ARE BOUND TOGETHER BY A STRONG SHARED CULTURE.

OUR APPROACH IS BUILT ON FOUR PILLARS:

1. EMPLOYEE WELLBEING

Our focus is to ensure our people are cared for and provided with the benefits and environment to allow them to thrive.

Our employees deliver exceptional results, going above and beyond to create successful outcomes for our customers, investors and shareholders.

To help our people deliver these results we offer wellbeing initiatives to support mental and physical wellbeing, and promote work life balance.

3. DIVERSE AND INCLUSIVE

We embrace and promote all aspects of diversity in our business, and we believe an inclusive culture is central to our long term success.

In 2022 our D&I committee renewed its vision and strategy through a series of workshops and interactive think tanks. The output of this is a vision to guide D&I in Avolon for 2023 and beyond.

2. ATTRACTING, DEVELOPING AND RETAINING TALENT

Our people drive our competitive advantage. Our ability to attract, develop and retain high quality talent in our industry is critical to long term success.

We invest in continuing personal and professional development across all levels of our organisation.

4. COMMUNITY INVOLVEMENT

Our corporate social responsibility programme is called CARE and encourages broad company involvement in a diverse range of initiatives to support both local and international partners in the promotion of innovation, social development and education.

CARE operates its programme around four pillars of activity: Community, Avolon CARE Days, Resources, Entrepreneurship and Education.

“ We seek to be an Employer of Choice in our industry, and we believe our people are our strongest asset.

Ciara Ruane
Chief People Officer



2022 PEOPLE HIGHLIGHTS

OUR OBJECTIVE IS TO PROVIDE EVERY EMPLOYEE WITH A POSITIVE EXPERIENCE AT WORK. WE CHALLENGE OURSELVES AND OUR COLLEAGUES TO BE THE BEST WE CAN BE THROUGH OUR COMMITMENT TO WELLBEING, CAREER DEVELOPMENT, INCLUSION AND COMMUNITY.

273 EMPLOYEES

INVESTMENT IN DEVELOPMENT

We launched our Avolon Competency Framework outlining the expectations for success at all of our career levels. We showed our commitment to our next generation of leaders through the design and launch of our flagship leadership development programme 'Accelerate'.

GLOBAL RECONNECTION

We reconnected with our friends, customers and colleagues throughout the year as travel restrictions eased. The highlight being our Global Offsite in September where colleagues from across the world came together to celebrate our successes and plan for the future as one TRIBE.

EVOLVE AND ENGAGE

We continued to evolve our leadership team and welcomed three new members of our Executive Committee, all internal promotions. We continued to listen to our employees through the 'Your Voice' annual employee survey process – we have continued to engage and empower our people with 93% stating they are proud to work for Avolon.

DIVERSITY AND INCLUSION

We renewed our commitment to a diverse and inclusive workplace and culture through our refreshed D&I committee working towards a strategy based on the three pillars of Colleague, Community, and Customer.

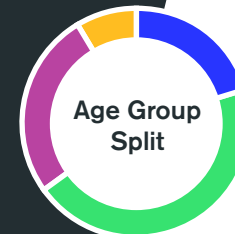
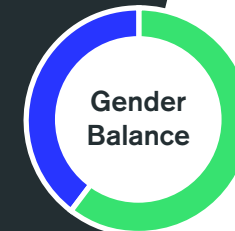
WELLBEING AND CULTURE

We celebrated our inaugural Wellness Week, focusing on our mental and physical wellness through a series of initiatives and programmes aimed at supporting our people to look after themselves and be the best they can be.



Locations

- Ireland: 216
- Hong Kong: 19
- Singapore: 11
- Dubai: 3
- UK: 2
- Americas: 22



- Under 30: 56
- 30 - 40: 122
- 40 - 50: 72
- 50+: 23

EMPLOYEE WELLBEING

AVOLON PRIORITISES A HOLISTIC APPROACH TO WELLBEING FOR OUR GLOBAL TRIBE.

WORK-LIFE BALANCE

As a global business we work in a fast paced and high performing organisation. While this brings opportunity for challenge and meaningful career growth and development, we recognise the challenges that are placed on our team.

We endeavour to create a workplace where our people can work in a smart and flexible way to find the right balance for them and their personal commitments. In addition we put in place a number of supports for our people to ensure we care for their physical and mental wellbeing.

FLEXIBLE WORKING



Flexibility

Core hours, reduced summer hours and 20 days work from anywhere.



Smart Working

Hybrid approach of 3 days office based and 2 days remote work.



Employee Leave

Generous annual leave, company days, volunteering days, study and exam leave.



Recharging

Suite of extended leave options to recharge.



Family leave

Paid Maternity, Paternity, Parents and Miscarriage leave.



Remote Working

Full home office IT and office equipment for all employees.



Parent Support

Avoparents support group for working parents. Return from maternity leave coaching.



Wellbeing Support

Private health insurance, annual executive health check, €500 wellness voucher, and employee assistance programme (EAP).



EMPLOYEE WELLBEING (continued)

We work hard to protect and enhance the physical and mental health and wellbeing of our TRIBE. Going above and beyond is our mission and that includes looking after all elements of our employees' health and wellbeing.

BENEFITS

In addition to a competitive compensation package and company funded pensions scheme, we provide full health insurance for employees and their families, life assurance, income protection, annual executive health check, and a comprehensive travel insurance policy.

MENTAL HEALTH FIRST RESPONDERS

This year we have invested in a mental health first responder programme. Our trained mental health first responders will be able to provide emergency mental health support to anyone struggling with an issue or crisis.

WORKPLACE WELLNESS WEEK

We celebrated our inaugural 'Wellness Week', welcoming a series of expert speakers to our global headquarters. They provided up to date advice, knowledge and support to our employees on topics including financial planning, healthy eating, and mindfulness.

SPORTS DAY

Wellness Week culminated in a company sports day where we celebrated the importance of keeping active and connecting with an action-packed day of competitive games and activities.

FIT FOR PURPOSE

Fit for Purpose is the name of our sports committee. It organises company-sponsored yoga, pilates, boxing, bootcamps, tag rugby, running club and tennis lessons for employees to ensure all employees can prioritise keeping fit and active.



ATTRACTING & RETAINING TALENT

LISTENING TO OUR EMPLOYEES

A HIGHLY ENGAGED TRIBE

The 'Your Voice' annual employee survey programme provides a valuable source of information on what matters to our people, how they experience our organisation as a place to work, and how we can continue our high levels of engagement.

Since 2017 our employees have regularly completed an employee survey to share their insights and experiences. We are committed to this process and to providing a workplace that is engaging and a positive experience for our employees. We believe that by creating this environment for our people we will continue to drive the best results through the right behaviours and attitudes.

Having a highly engaged workforce, who believe their voice is heard and respected, leads to a variety of positive outcomes for our business, such as improved productivity, willingness to go the extra mile, a fair working environment, greater retention, improved results for customers and long term business success.

2022 YOUR VOICE SURVEY

Due to the COVID 19 pandemic we were unable to complete our survey in 2021. In 2022 we relaunched our survey.

As before, our survey was conducted by an external third party consultant, with results benchmarked against a cohort of global organisations. Responses were completely anonymous to ensure open and honest feedback. Results were aggregated at a functional, team and geographic level where a sufficient number of responses were available to guarantee anonymity.

Results were communicated to all employees at a company-wide level to ensure transparency and openness. Individual team results were shared with managers to enable further team by team discussions and action planning sessions.

IN 2022 WE WERE PLEASED TO LEARN THAT WE COMPARED FAVOURABLY TO OTHER ORGANISATIONS IN TERMS OF:

- **Co-operation across the business**
- **Understanding and connection with our purpose and corporate objectives**
- **Understanding and confidence in career progression**

EMPLOYEE SURVEY HIGHLIGHTS

93%

Of employees are proud to work for Avolon

90%
90%

Agree Avolon makes a positive contribution to society through our CARE activities

96%
96%

Understand our corporate objectives

ATTRACTING & RETAINING TALENT (continued)

PERSONAL AND PROFESSIONAL DEVELOPMENT

We believe that offering our people the opportunity for ongoing professional and personal development is an effective tool to attract and retain the best talent, as well as contributing to a strong talent bench of future leaders with the skills to deliver for our business, now and in the future.

DEVELOPMENT OPPORTUNITIES

We offer targeted career development opportunities, including cross functional mobility, stretch assignments, global secondments, coaching programmes, online digital learning platforms and generous reimbursement for relevant further study.

FUTURE LEADERS

We invest in the development and leadership potential of our future talent by offering all interns and graduates a year long Learning & Development programme supplemented with one to one coaching and group workshops.

3RD LEVEL ENGAGEMENT

We continue our founding sponsorship of the MSC in Aviation finance in UCD Michael Smurfit Graduate Business School. In addition to our sponsorship we also invite the class to an event in our Global HQ in Dublin where they can hear from our employees and leaders first-hand what it is like to work in a global lessor. We provide internships to a number of graduates from the programme for 12 months with experience in a variety of departments.

ISTAT – RISING EXECUTIVES

Avolon was the launch sponsor of the ISTAT Rising Executives Programme which offers networking and educational opportunities to ISTAT members and professionals with less than 10 years' experience in the commercial aviation industry. Through global networking events, educational offerings and more the ISTAT Rising Executives community provides resources to succeed in their roles and become future leaders in the industry.

ISTAT - PROFESSIONAL DEVELOPMENT PROGRAMME

Each year we offer sponsorship to a limited number of employees who are successful applicants to the ISTAT Professional Development Programme. This programme takes a deep dive into the airline industry, the design, manufacturing, maintenance and valuation of commercial aircraft, and aircraft trading and financing. Participants profit from valuable networking time with peers and industry leaders at unique events during each module.



ACCELERATE

In 2022 we were proud to launch our bespoke leadership development programme for our emerging leaders in Avolon, which we called Accelerate. We have designed our own leadership development journey focused on the behaviour, mindset and knowledge changes required to develop leaders who think and act differently. This will fuel our growth now and into the future, with a particular emphasis on developing our female leadership pipeline.

THOUGHT LEADERSHIP

SINCE OUR FOUNDATION, AVOLON HAS BEEN CONSISTENTLY RECOGNISED AS A THOUGHT LEADER IN THE AVIATION INDUSTRY.

SUSTAINABILITY LEADERSHIP AWARD

During 2022 Avolon was recognized for its Sustainability Leadership, being awarded the inaugural Airline Economics Sustainability Overall Deal of the Year distinction for its 500 VX4 eVTOL aircraft order and for its subsequent placement progress with leading global airlines and transportation companies such as GOL and Grupo Comporte in Brazil, Japan Airlines in Japan, AirAsia in Southeast Asia, and with Gözen Holding in Turkey.



SUSTAINALYTICS RATING

In June 2022, Avolon was recognised by Sustainalytics as being in the 'Low Risk' category, reflecting our strong performance across a broad range of ESG metrics. Based on a scale of 100–0, from highest to lowest risk, Avolon's score of 16.0 places it amongst the top 5% of its industry group in terms of its ESG performance.



INNOVATE FOR IRELAND

The Irish government announced in July 2022 its support for Innovate for Ireland, a transformative doctoral scholarship programme originally conceived by Avolon's former CEO, Dómhnaí Slattery, which Avolon continues to support as a founding partner.

Innovate for Ireland will establish Ireland as a globally renowned hub of talent development and a destination of choice for students seeking to develop innovative solutions to the most pressing challenges of our time.

It is intended that the programme will expand to provide 1,200 PhD scholarships over the coming decade



eVTOL SYMPOSIUM

Avolon hosted the first Advanced Air Mobility symposium in June 2022, attracting 125 attendees from more than 45 companies. The symposium enabled participants to hear, first-hand, a discussion on the eVTOL regulatory backdrop from some of the leading aviation regulators.

Following the symposium Avolon published its Making eVTOL a Reality paper which pulled together the key themes of the event for wider dissemination.



2023 OUTLOOK PAPER

In January 2023, we issued our annual outlook paper, Climb to Cruise, sharing our thoughts on the state of the industry and setting out our traditional 'Fearless Forecasts' for the year ahead. The paper forecast that the reopening of China will help global aviation traffic to reach pre-pandemic levels by June 2023. It also noted that demand for travel is no longer the constraint to recovery, but airlines' capacity to put aircraft in the air due to supply constraints and delivery delays.



DIVERSITY & INCLUSION

FUELLED BY AMBITION, STRENGTHENED
BY DIVERSITY, UNITED BY INCLUSION.

Our vision at Avolon is to maintain an open environment where people can bring their true selves to the workplace. We aim to cultivate and hear a diverse range of views and recognise people based on their merits without bias.

Our Diversity & Inclusion initiatives are led by a D&I Committee which is tasked with ensuring the business lives up to its ambitions.

RESHAPING OUR VISION AND EXPANDING OUR HORIZONS

In 2022 our D&I Committee focused its efforts on renewing Avolon's vision and approach to our D&I goals. We sought to ensure that D&I is embedded in everything we do and how we interact with all stakeholders under 3 core pillars

COLLEAGUES: by building and fostering an environment where employees have the space to be safely heard, seen, and grow without prejudice or bias;

CUSTOMERS: by creating value through inclusive customer experiences which respect global and cultural differences;

COMMUNITY: by leading by example within our community and make a difference to drive change and level the playing field.



SUPPORTING DIVERSITY INITIATIVES

Over and above promoting diversity within the business, Avolon continues to support a number of key industry initiatives aimed at supporting diversity in aviation.

AWAR: Advancing Women in Aviation Roundtable (AWAR) promotes the development and advancement of women leaders in the aviation industry and Avolon is a member of its Steering Committee.

Women@ISTAT: Avolon sponsors the Women@ISTAT programme which seeks to increase the opportunities for women working in the industry.

ISTAT Rising Executives: Avolon also sponsors ISTAT's Rising Executives programme which provides networking and education opportunities for young professionals.



LEARNING AND DEVELOPMENT

Inclusion is also a focus for our bespoke leadership development programme - Accelerate - designed to build capability, drive performance and sustain our culture. This year-long programme also aims to support the increase of women in leadership positions in Avolon.

ENGAGING VOICES

We regularly welcome external speakers who can challenge and educate us on Diversity & Inclusion issues. In 2022 speakers included:

MARK POLLOCK on how he has overcome the challenges of paralysis.

GEORGIE CRAWFORD on her battle with breast cancer.

PANTI BLISS to help us celebrate the month of Pride.



CARING FOR OUR COMMUNITY

OUR CARE PROGRAMME CONTINUED TO ENCOURAGE BROAD TEAM PARTICIPATION WITH €750K DONATED TO 47 DIFFERENT INITIATIVES UNDER OUR 4 PILLARS: COMMUNITY, AVOLON CARE DAYS, RESOURCES, ENTREPRENEURSHIP AND EDUCATION.

Our programme focus this year took a slightly different direction from previous years as the CARE Committee selected the theme of Youth and Education towards which the majority of the funds were directed. Worthwhile initiatives we supported in this area included:

ISPCC's Smart Moves: a programme to support children's emotional resilience.

Sponsor an African Scholar (SAAS): a charity working on education initiatives in Kenya.

World of Work: a programme run by Business in the Community to address educational disadvantage in Ireland.

€200k helped fund a **UNICEF Blue Dot** location and was our biggest response to the outbreak of conflict in Ukraine focusing on providing relief to mothers and children.

Another key annual highlight was our **Special Day of Flying** giving children with disability a special day out and a chance to experience flight in a family friendly and fun environment.

Always in focus for CARE's activities are organisations helping those disadvantaged through adversity. This year organisations we supported included:

Run in the Dark: the annual fund-raising runs to support collaborative cures for those who dream to walk

ADAPT: a charity providing support to women survivors of domestic abuse in Limerick

Making Connections: a charity that helps those affected by isolation and loneliness

The CARE Strategy for 2023 will focus on allocating the CARE budget through a lens of Diversity and Inclusion. We have the ambition to allocate the budget within a framework that encourages a broad range of support within our communities to drive change. We also want to work closely on CSR with our customers, seeking opportunities to work in region and support local communities that matter to them.



IN SEPTEMBER 2022 THE WHOLE COMPANY JOINED TOGETHER AT CHRIST THE KING NATIONAL SCHOOL IN NORTH DUBLIN TO TRANSFORM ITS GROUNDS AND FACILITIES IN A DAY.



Governance Excellence

INTRODUCTION

Fostering a strong culture of transparency, respect and integrity in our corporate governance has always been core to Avolon's DNA. Three factors embed this:

1. BOARD AND MANAGEMENT

Avolon has a strong, experienced Board which provides effective oversight and stewardship of our business. The Board is comprised of representatives of our shareholders, management and an independent director. Our governance framework requires that certain key decisions are approved by both shareholders.

2. BEHAVIOURS AND CULTURE

Our TRIBE values are core to how we conduct our business and ensure that we act with responsibility and integrity. Our values underpin our approach to all our policies and procedures. These are overseen by our Business Integrity department and rolled out to all employees through rigorous and ongoing mandatory training modules.

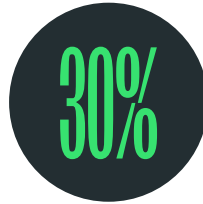
3. RISK MANAGEMENT AND CONTROLS

Our culture and robust financial and operational controls ensure risk management is embedded within our business. Core to the sustainability of Avolon is understanding the risks we take and how they impact the commitments we make. Our risk management framework gives visibility into how risks interact through time and under varying degrees of stress.

OUR SHAREHOLDERS



Bohai Leasing Co., Ltd is a Chinese public company listed on the Shenzhen Stock Exchange (SZE: 000415), an FTSE Russell index company, and is the largest listed leasing company on the Chinese A-Share stock market. Bohai has a wide range of leasing licenses, which have allowed for a balanced development of diverse leasing subsidiaries. Bohai's subsidiaries provide domestic and global services in both financing and operating leases of aircraft, containers, equipment and infrastructure. It has established footprints in China's main economic and free trade zones of Tianjin, Shanghai, Guangdong and the Yangtze River Delta, and major international offices in Hong Kong, Singapore, London and Miami.



ORIX Aviation Systems Limited ("ORIX Aviation"), established in 1991 in Dublin, Ireland and has grown to over 200 owned and managed aircraft on lease to over 50 airlines.

ORIX Aviation Systems Limited is a 100% subsidiary of ORIX Corporation ("ORIX") (TSE: 8591; NYSE: IX), an opportunistic, diversified, innovation-driven global powerhouse with a proven track record of profitability. ORIX's highly complementary business activities span industries including: energy, private equity, infrastructure, automotive, ship and aircraft, real estate, and retail financial services. ORIX has also spread its business globally by establishing locations in a total of 38 countries and regions across the world. Through its business activities, ORIX has long been committed to corporate citizenship and environmental sustainability.



Experienced strategic long-term shareholders with expertise in aviation and leasing.



Both listed shareholders create an additional layer of governance.



Board composition dictated by Shareholder Agreement.

BOARD OF DIRECTORS



Can (Jason) Zhang

Non-Executive Chairman

Can (Jason) Zhang has served as both a Director and Chairman of the Avolon Board since February 2022. Mr. Zhang has served as Deputy Chairman of Bohai Leasing Co., Ltd since March 2022. He previously held positions as the CFO of Hong Kong Airlines Co., Ltd., Director of Swissport Group, and CEO of CWT International Limited (HK00521). Mr. Zhang holds a Bachelor's Degree in Accountancy from Wuhan University and an MBA from Columbia University.

Denis Nayden

Non-Executive Vice Chairman

Denis Nayden has served as Vice Chairman of the Avolon Board since April 2016 and was previously the Chairman of the Board from May 2010 to January 2016. Mr. Nayden previously held the position of Chairman of Varagon Capital from 2014 to 2020, and is currently Chairman, Investment Committee member and Operating Investor at Harkness Capital Partners, and is Chairman of James Alpha Holdings, LLC. Mr. Nayden also serves on the Board of Directors of LiteSheet Solutions and the Global Board of buildOn, a non-profit organization.

Mr. Nayden was formerly an Advisory Managing Partner of Oak Hill Capital from January 2017 to December 2017 and a Managing Partner from 2003 through 2016. Prior to joining Oak Hill, Mr. Nayden served as the Chairman and Chief Executive Officer at GE Capital. Mr. Nayden spent more than 25 years serving in various roles at GE Capital, including oversight of GE Capital Aviation Services. Mr. Nayden previously served as Chairman of the Boards of Duane Reade, Firth Rixson Limited, Omada International, Primus International and RSC Equipment Rental.



Shen Yan

Non-Executive Director

Shen Yan has served as Director of the Avolon Board since February 2022. Mrs. Yan serves as the Executive Director and the Chief Financial Officer of CWT International Limited (HK00521). Prior to this, Mrs. Yan served as Finance Director of CWT International Limited and also acts as a director on a number of subsidiaries of CWT International Limited since July 2015. Mrs. Yan served as CFO of Hong Kong Airlines Corporate Jet Management Limited from July 2014 to July 2015. From July

2008 to July 2014, Mrs. Yan worked in the Finance Department of HNA Group and a number of its subsidiaries. Mrs. Yan graduated from the Sichuan University in 2008 with a Bachelor Degree in Accounting, and graduated from Peking University in 2020 with a Masters Degree in Business Administration. Mrs. Yan has extensive management knowledge and working experience in accounting, finance, treasury and risk management and has been a member of Association of Chartered Certified Accountants since 2013.



BOARD OF DIRECTORS

(continued)

Kei Kitagawa

Non-Executive Director

Kei Kitagawa has served as a Director of the Avolon Board since April 2020. Mr. Kitagawa is a member of the Board of Directors of ORIX Aviation. He also serves as Executive Vice President, Deputy Head of Global Transportation Services Headquarters and Head of

Aviation and Investment Group for ORIX Corporation, the sole shareholder of ORIX Aviation. Kei Kitagawa joined ORIX Corporation in April 1998 where he spent eight years in vender leasing jointly with an American multinational computer technology company. He then moved into the Aviation and Investment Group in March 2006 in a core role pioneering the Japanese Operating Leasing arrangement

for ORIX Corporation. Kei Kitagawa was appointed to the Head of Aviation and Investment Group in May 2015 and Deputy Head of Global Transportation Services Headquarters in January 2019. Kei Kitagawa also has responsibility for the Aviation and Investment Group's business strategies and budgets. Kei holds a Bachelor Degree in Law and an MBA in Finance from Chuo University, Tokyo.



Duan (Julian) Wang

Non-Executive Director

Duan (Julian) Wang has served as Director of the Avolon Board since January 2022. Mr. Wang has served as Assistant General Manager and Chief International Affairs Officer of the new HNA Group (Trust Management) since June 2022, and as Vice Chair of

China General Chamber of Commerce - USA since March 2022. He is also the President of HNA Group International, the international operations platform of the whole group, and is responsible for engagements in global M&A, international asset management, and cross-border portfolio company governance.

Mr. Wang has years of experience managing multi-national corporations,

having served on the board of Avolon since January 2022, Global Sea Containers Ltd. since May 2020 and SinOceanic since July 2019. He has also chaired the board of SR Technics, one of the world's leading aviation Maintenance, Repair, and Overhaul (MRO) service providers from June 2021 to December 2021, and on the board of Swissport Group from November 2019 to December 2020.

Mr. Wang has 15 years of experience working at various positions at HNA. Throughout his career, he has led numerous international projects including the sale of Ingram Micro, restructuring of Swissport, a series of real estate transactions including 245 Park Ave NYC, 850 Fifth Ave NYC, 1180 American Ave NYC, 181 W Madison Chicago, etc. with a total transaction value over \$10B.

James Meyler

Non-Executive Director

James Meyler joined the Avolon Board in February 2022. James is the Chief Executive Officer of ORIX Aviation Systems Limited and ORIX Aviation Management ME Limited with over 25 years' experience in the aviation industry. Prior to this, he held the positions of Deputy Chief Executive Officer and Chief Commercial Officer of ORIX Aviation. James is a Board Director of ORIX Aviation Systems Limited since 2015.

James worked with ORIX Aviation from 2002 to 2007 and was Vice President of Acquisitions, New Business and Capital Markets. James spent two years as Managing Director, Head of Marketing and Capital Markets for Aergo Capital Group before returning to ORIX Aviation in 2009. James previously held positions as Executive Assistant to Tony Ryan and CFO of TARA Aerospace, along with a senior management role in the aviation team at KBC Aerospace Finance.

He holds an Honours Bachelor of Commerce degree in Banking and Finance from University College Dublin. James was previously elected to the Board of Directors of ISTAT for a four year term from 2015 to 2019 and currently serves as Chairman of the Wings Club Foundation European Chapter.



Andy Cronin

Chief Executive Officer

Andy Cronin was appointed Avolon's Chief Executive Officer in October 2022 and has held a range of senior roles in the aviation sector over more than 20 years.

As part of the founding team and serving as Avolon's CFO from 2010 to 2022, Andy has played a central role in

building the company to the industry-leading position it holds today. He has successfully led Finance and Capital Market teams through numerous capital raises, corporate acquisitions, and most notably Avolon's listing on the NYSE.

Prior to joining Avolon, Andy served as SVP Investor Markets at RBS Aviation Capital with responsibility for disposal, financing and debt syndication of operating lease and

structured debt products to a wide pool of investors. Before working at RBS Aviation Capital, Andy worked in commercial and operational roles at FLS Aerospace.

Andy has a Bachelor of Engineering degree and a Master of Industrial Engineering degree, both with First Class Honours, from University College Dublin.



LEADERSHIP



Andy Cronin

Chief Executive Officer

Paul Geaney

President & Chief Commercial Officer

Ciara Ruane

Chief People Officer

Andy Cronin was appointed Avolon's Chief Executive Officer in October 2022 and has held a range of senior roles in the aviation sector over more than 20 years.

As part of the founding team and serving as Avolon's CFO from 2010 to 2022, Andy has played a central role in building the company to the industry-leading position it holds today. He has successfully led Finance and Capital Market teams through numerous capital raises, corporate acquisitions, and most notably Avolon's listing on the NYSE.

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Andy has a Bachelor of Engineering degree and a Master of Industrial Engineering degree, both with First Class Honours, from University College Dublin.

Paul Geaney was appointed as Avolon's Chief Commercial Officer in July 2021, adding the role of President in July 2022. He was a member of the founding Avolon team, and leads all Avolon's aircraft origination activities. Prior to this, Paul was the Chief Risk Officer and he had also previously been responsible for managing Avolon's relationships with all airframe and engine manufacturers as Head of the OEM team.

Paul joined Avolon in May 2010. Prior to this he spent three years with Claret Capital, becoming a partner at the firm. Paul began his aviation career in 2002 working for RBS Aviation Capital on its credit and pricing teams and ran RBS's international corporate jet finance business. Paul began his professional career with Merrill Lynch in New York where he worked for their healthcare banking team.

Paul holds a Bachelor in Economics and Politics degree from Trinity College Dublin.

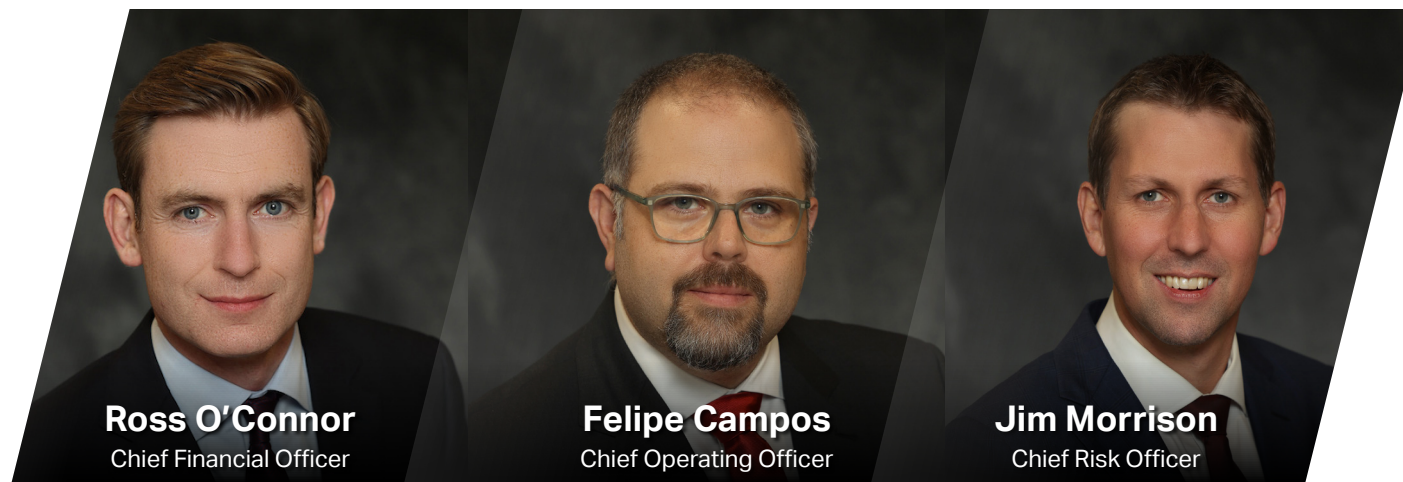
Ciara Ruane was appointed Chief People Officer in October 2021 and is responsible for leading Avolon's people strategy, employee experience, recruitment, rewards, retention, leadership development, learning and diversity & inclusion.

Ciara has over 20 years' Human Resources (HR) experience working in strategic HR and effectiveness and, prior to joining Avolon, Ciara worked at Primark, a leading fashion retailer. At Primark, Ciara became Director of People and Culture where she also led Primark's Diversity and Inclusion agenda, wellbeing strategy and corporate giving programmes. Prior to working at Primark, Ciara worked for Willis Towers Watson for over 10 years across a broad range of HR practices.

Ciara is a graduate of University College Dublin's Smurfit Business School and has a Bachelor of Science degree from University College Cork.

LEADERSHIP

(continued)



Ross O'Connor
Chief Financial Officer

Felipe Campos
Chief Operating Officer

Jim Morrison
Chief Risk Officer

Ross O'Connor was appointed Chief Financial Officer in October 2022 and leads the financial reporting, tax, corporate development, capital markets and aircraft trading activities at Avolon.

Ross joined Avolon in 2011 and has held various roles throughout the organization, including Vice President Trading and Head of Investor Relations. From 2020 to 2022, Ross served as Head of Capital Markets for Avolon, leading Avolon's fundraising strategy and initiatives, including the management of Avolon's rating agency and global lender relationships.

Ross holds a Bachelor (Hons) in Management Science and Information Systems Studies degree from Trinity College Dublin and is a Fellow of the Institute of Chartered Accountants Ireland.

Felipe Campos was appointed Avolon's Chief Operating Officer in October 2022 and oversees all of Avolon's operational activity. Felipe joined Avolon in April 2016, becoming Head of Latin America in 2017, and most recently served as Chief Technical Officer from 2021 to 2022. In this role he led Avolon's Technical function, managing all technical aspects of the business including lease transactions, new aircraft deliveries and oversight of delivered aircraft while on lease.

Prior to joining Avolon, Felipe held a variety of roles across the aviation industry including with GE Aviation and LATAM and TAM airlines, where he was responsible for marketing, aircraft financing, leasing, fleet planning, engines, and supply chain contracts.

Felipe holds a Master of Science in Naval Engineering and Project Management degree from Escola Politécnica at the University of São Paulo. He also holds an MBA from IBMEC.

Jim Morrison was appointed Chief Risk Officer in October 2022. He is responsible for the implementation, oversight, and continued development of Avolon's risk management strategy.

A member of Avolon since 2017, Jim most recently served as Head of Portfolio Management where he was responsible for projecting key industry trends and developing aircraft investment cases. Jim contributes to Avolon's thought leadership agenda, authoring our annual outlook papers and developing Avolon's sustainability initiatives.

Prior to joining Avolon, Jim held roles with CIT Aerospace and Bombardier Commercial Aircraft. Jim is an ISTAT Certified Appraiser and a licensed Professional Engineer in Ontario.

Jim holds a Master of Science in Technology and Policy degree from the Massachusetts Institute of Technology and a Bachelor of Applied Science in Engineering Physics degree from Queen's University, Kingston.

MAKING DECISIONS

STRONG OVERSIGHT OF KEY DECISIONS BY THE BOARD AND SHAREHOLDERS

While the Board has delegated authority to operate the day-to-day affairs of Avolon to the Leadership team, the Shareholder Agreement sets out Board Reserved Matters which require the prior approval of the Board. Furthermore, there are specific Shareholder Reserved Matters that require the approval of both shareholders.

The clear governance structure set out within the Shareholder Agreement provides very strong oversight of key strategic decisions by the Board. The Shareholder Reserved Matters provide strong protection to both shareholders and other stakeholders of the business.

LEADERSHIP TEAM



BOARD



SHAREHOLDERS

BOARD RESERVED MATTERS

Board Reserved Matters - The following matters require majority approval by the Board:

- Acquisitions, disposals or JVs over a certain threshold.
- Financial framework, including financings over a certain threshold.
- Adoption of any audited annual accounts.
- Commencement or settlement of any litigation, arbitration or other proceedings which are material in the context of the business.
- Change to the accounting reference date or accounting principles and policies.

SHAREHOLDER RESERVED MATTERS

Key strategic decisions will require the approval of both shareholders, including:

- Budget and Business Plan (including distribution policy).
- Material Related Party transactions.
- Acquisitions, disposals or JVs over a certain threshold outside agreed Budget / Business Plan.
- Financial framework, including financings over a certain threshold outside agreed Budget / Business Plan.
- Key strategic decisions (e.g. cessation of any business activities).
- Changes to corporate structure and / or Articles of Association.
- Appointment or removal of Independent Director.



BEHAVIOURS & CULTURE

STRONG VALUES AND CULTURE UNDERPIN GOVERNANCE THROUGHOUT THE ORGANISATION.

OUR VALUES AND CULTURE

Avolon's values and culture are ingrained in the way we work together and with our stakeholders. We know that checking all the boxes when it comes to a Compliance or Ethics Program only really matters when our underlying culture matches our commitment on paper in policies and procedures. Our TRIBE values form the basis of how we run our business, how we interact with one another and our stakeholders. Our TRIBE values are incorporated into our policies and procedures. Avolon is committed to doing business in a way that is fair, transparent and benefits everyone involved.

COMPETENCY FRAMEWORK

Our six competencies set out the factors that make us successful and are key to driving both individual and business performance. Each competency clarifies expectations and how these progress in different career stages. Understanding these competencies allows employees to identify strengths and learning opportunities, set clear development objectives, contribute to business performance, and plan professional development at Avolon.

CODE OF CONDUCT

Avolon's Code of Conduct guides employees how to do business ethically. It helps employees navigate the common, and sometimes challenging, situations they could face at work and points to our policies and other resources for more information. Most importantly, it helps to turn our TRIBE values into actions.

Avolon's Code of Conduct is designed to:

- Promote integrity and the highest standards of ethical conduct.
- Comply with applicable laws, regulations and Company Policies.
- Address common ethical situations that could be encountered in work.

Avolon is committed to compliance with all laws, rules and regulations that apply to our business. We operate in multiple countries, so it is important to be aware of different laws and customs that may apply. While we respect the norms of our customers and business partners throughout the world, all members of our TRIBE must, at a minimum, comply with the standards and principles in our Code.

ETHICS AND COMPLIANCE

STRONG VALUES AND CULTURE UNDERPIN GOVERNANCE THROUGHOUT THE ORGANISATION.

BUSINESS INTEGRITY TEAM

The objective of our Business Integrity Team, our version of Compliance, is to fortify Avolon with a focus on best business practices in an increasingly complex global marketplace by building on our TRIBE values.

IDENTIFY COMPLIANCE OBLIGATIONS POLICIES & PROCEDURES

- Anti-money Laundering & counter-terrorist financing
- Anti-bribery and anti-corruption
- Anti-trust
- Business Integrity Charter
- Conflict of interest
- Data protection & GDPR
- Fraud
- Insider trading rules
- Lobbying activity
- Raising concerns policy (whistleblowing)
- Sanctions screening
- Social media policy
- Securities Trading
- Third party due diligence



TRAINING & COMMUNICATIONS

Interactive compliance training modules provide real world examples of how to apply those policies to our day-to-day transactions across the firm.



Investigation, reporting, oversight & monitoring.

THE BUSINESS INTEGRITY FUNCTION HAS A DIRECT REPORTING LINE TO THE AUDIT COMMITTEE



KEY REPORTING INDICATORS INCLUDE:

- Suspicious activity reports
- Protected disclosures
- Data breach reports
- Data subject access requests
- Sanction / export administration
- Known fraud incidents



WORKING WITH OTHERS TO DELIVER AN ETHICAL BUSINESS

AVOLON'S GLOBAL NETWORK OF CUSTOMERS AND SUPPLIERS SUPPORT OUR BUSINESS. WE HOLD ALL OF OUR COUNTERPARTIES TO HIGH STANDARDS IN HOW THEY CONDUCT THEIR BUSINESS AND APPLY STRINGENT RISK MANAGEMENT TO OUR RELATIONSHIPS INCLUDING CUSTOMER DUE DILIGENCE, SANCTIONS SCREENING AND A NUMBER OF RISK MITIGATING PROVISIONS INCORPORATED INTO OUR LEASES.

DUE DILIGENCE, SCREENING & ONGOING MONITORING

- Customer due diligence is applied on a risk-based approach: Simplified, Standard or Enhanced.
- Know Your Customer ("KYC") checks carried out against our customers and business partners.
- Ongoing monitoring action via screening system tool.

ECONOMIC SANCTIONS & EXPORT CONTROLS

Sanction risks apply in terms of those counterparties we deal with and jurisdictions we operate within. Screening checks both prior and during business relationships are actioned by Business Integrity.

BUSINESS PARTNER CODE OF CONDUCT

We expect that any third party who works with us or on our behalf, from those working with our aircraft to those supporting our business operations, will share our commitment to ethical business practices and uphold the same high standards that we do. Avolon's Business Partner Code of Conduct is available on our website:

A web platform and hotline are available to all Business Partners to report any violations or concerns in connection with this Code or with appropriate application of Avolon's non-retaliation policy.

PRODUCT GOVERNANCE

- Avolon leases only certified aircraft which meet strict regulatory standards to our global airline customers.
- Our leases pass all operational risk and responsibility to the lessee, limiting our exposure to product liability and reputational damage.
- Airlines are contractually required to maintain and operate our aircraft in accordance with the law and regulations of FAA, EASA or appropriate equivalent local regulator.
- All aircraft are required to be fully insured including for third party liability insurance.
- Avolon regularly oversees the operating and maintenance records of our customers.



INFORMATION SECURITY

INFORMATION SECURITY POLICIES

Protecting the data of Avolon and our stakeholders is a key priority of the business. We have invested in and continually upgrade best-in-class information security infrastructure to ensure that our data is protected. With so many of our global employees working remotely or on the move, Avolon has transitioned to secure digital mobility solutions, including secure cloud-based servers, multi-factor authentication, migration to laptops for all employees, and a secure electronic platform that covers the majority of the business' systems.

DATA PROTECTION PROCESSES

Avolon's in-house IT team work with a range of best-in-class external consultants to develop extensive processes to manage information security risks. Active investment in our IT infrastructure together with independent penetration testing, security monitoring and least privilege principle access across applications are just some of the ways that we implement our information security processes.

CYBER SECURITY

Avolon's IT risk management framework, including associated policies and procedures and a Cyber Security Incident Response Team, both of which are reviewed regularly to ensure addressing this threat does not remain static. Elements of this framework include proactive cyber threat intelligence, an email security platform, endpoint technology and secure email gateway software.

INTERNAL AUDIT

INTERNAL AUDIT AT AVOLON IS OUTSOURCED TO A HIGHLY REPUTABLE PROFESSIONAL SERVICES FIRM, ENSURING THEIR INDEPENDENCE AND OBJECTIVITY THROUGH SEPARATION FROM LINE MANAGEMENT. THEY HAVE A DIRECT REPORTING LINE TO THE AUDIT COMMITTEE WHICH IS CHAIRED BY AN INDEPENDENT DIRECTOR. ADMINISTRATIVELY THEY REPORT TO AN INTERNAL COMMITTEE WHICH HAS OVERALL RESPONSIBILITY FOR OVERSIGHT OF FINANCIAL CONTROLS INCLUDING MONITORING THE IMPLEMENTATION OF ALL INTERNAL AUDIT RECOMMENDATIONS.



THERE ARE 6 KEY ATTRIBUTES OF THE INTERNAL AUDIT PROCESS:

RISK BASED PLAN

Selection of internal audits is on the basis of risk. Each year our internal auditors perform an entity-wide risk assessment which identifies areas that require their focus. The plan is approved by the Audit Committee.

ESTABLISHED AUDIT PROCESS

Key to the success of our internal audits is meticulous planning with transparent conversations about risk. This provides a basis for efficient fieldwork and value adding outputs. Continuous communications between auditee and auditor is also essential.

FULL COVERAGE

All of Avolon's activities are subject to internal audit. Internal audit activities cover traditional assurance over compliance activities, to operational reviews and initiatives that are central to the achievement of strategic objectives.

MULTIPLE RISK THEMES

As part of each audit multiple risks are assessed including opportunities for efficiencies, systems utilisation, segregation of duties, change controls, key person dependency as well as the approach to management of risks.

REMEDATION MONITORING

The Internal Audit Function reviews the implementation status of internal audit recommendations. Remediations that are overdue are reported to the Audit Committee.

BALANCED REPORTING

Detailed reports identifying both good practices and areas for improvement are prepared on completion of internal audits, providing a balanced view of the risk landscape.

GRI CONTENT INDEX

General disclosure

REFERENCE	DISCLOSURE	REFERENCE OR RESPONSE	REFERENCE	DISCLOSURE	REFERENCE OR RESPONSE
2-1	Organisational details	Page 6: About Avolon; See additional details on company website: avolon.aero/our-business .	2-8	Workers who are not employees	The majority of workers performing work for Avolon are employees.
2-2	Entities included in the organization's sustainability reporting	Page 6: About Avolon; See additional details on company website: avolon.aero/our-business .	2-9	Governance structure and composition	Page 8: Our Responsibility. Page 40 to 52: Governance Excellence.
2-3	Reporting period, frequency and contact point	Page 6: About this Report.	2-10	Nomination and selection of the highest governance body	Page 8: Our Responsibility. Page 43: Board of Directors; Page 47: Making Decisions.
2-4	Restatements of information	None	2-11	Chair of the highest governance body	Page 43: Board of Directors.
2-5	External assurance	The report content has been reviewed & approved by the Avolon Senior Leadership team & Board of Directors. Relevant internal controls and review processes have been established to ensure that the relevant data & information reported is complete and accurate. Avolon team will seek to obtain independent external assurance over material KPIs reported starting in FY2023.	2-12	Role of the highest governance body in overseeing the management of impacts	Page 8: Our Responsibility. Page 40 to 52: Governance Excellence.
2-6	Activities, value chain and other business relationships	Page 8: Our Responsibility. Page 13: Forms of Stakeholder Engagement. Page 15 & 16: Material Topics & Management Approach; Page 15: Forms of Stakeholder Engagement. Page 41 to 53: Governance Excellence.	2-13	Delegation of responsibility for managing impacts	Page 8: Our Responsibility. Page 47: Making Decisions.
2-7	Employees	Page 32: 2022 People Highlights.	2-14	Role of the highest governance body in sustainability reporting	Page 8: Our Responsibility.
			2-15	Conflicts of interest	Page 49: Ethics and Compliance.
			2-16	Communication of critical concerns	Page 8: Our Responsibility.
			2-17	Collective knowledge of the highest governance body	Page 8: Our Responsibility. Page 40 to 52: Governance Excellence.
			2-18	Evaluation of the performance of the highest governance body	Page 8: Our Responsibility. Page 40 to 52: Governance Excellence.

GRI CONTENT INDEX

General disclosure (continued)

REFERENCE	DISCLOSURE	REFERENCE OR RESPONSE	REFERENCE	DISCLOSURE	REFERENCE OR RESPONSE
2-19	Remuneration policies	Remuneration is benchmarked against peers within each market in which we employ; Avolon provides a comprehensive non-financial benefit package.	2-27	Compliance with laws and regulations	Page 8: Our Responsibility. Page 41 to 53: Governance Excellence.
2-20	Process to determine remuneration	Remuneration is benchmarked against peers within each market in which we employ; Avolon provides a comprehensive non-financial benefit package.	2-28	Membership associations	Page 13: Forms of Stakeholder Engagement.
2-21	Annual total compensation ratio	Details to be disclosed in the next reporting period, once Avolon has completed internal review processes.	2-29	Approach to stakeholder engagement	Page 15: Forms of Stakeholder Engagement.
2-22	Statement on sustainable development strategy	Page 4 to 5: CEO Message. Page 7: About Us - Our TRIBE Values;	2-30	Collective bargaining agreements	No employees are covered by collective bargaining agreements. We operate primarily in countries where rights to freedom of association is guaranteed by law.
2-23	Policy commitments	Page 9: Support for the Sustainable Development Goals.	3-1	Process to determine material topics	Page 15: Forms of Stakeholder Engagement. Page 16: Materiality Assessment. Page 17 & 18: Material Topics & Management Approach.
2-24	Embedding policy commitments	Page 8: Our Responsibility. Page 15 & 16: Material Topics & Management Approach;	3-2	List of material topics	Page 17 & 18: Material Topics & Management Approach.
2-25	Processes to remediate negative impacts	Page 15 & 16: Material Topics & Management Approach; Page 50: Ethics and Compliance.			
2-26	Mechanisms for seeking advice and raising concerns	Page 49: Avolon Code of Conduct for employees; Page 51: Avolon Business Partner Code of Conduct.			

GRI CONTENT INDEX

Topic specific disclosure

GRI 201: Economic Performance 2016

201-1	Direct economic value generated and distributed.	See Avolon's Consolidated Financial Statements, available at avolon.aero/investors .
201-2	Financial implications and other risks and opportunities due to climate change.	Page 19: Aviation's Impact on the Environment.
201-4	Financial assistance received.	None in the reporting year.

GRI 203: Indirect Economic Impacts 2016

203-2	Significant indirect economic impacts.	Page 19: Aviation's Impact on the Environment; Page 40: Caring for our Community.
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GRI 204: Procurement Practices 2016

204-1	Proportion of spending on local suppliers.	100% local suppliers in catering and office services in Dublin, New York and Hong Kong.
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GRI 205: Anti-Corruption 2016

205-1	Operations assessed for risks related to corruption.	Page 50: Ethics and Compliance.
205-2	Communication and training about anti-corruption policies and procedures.	Page 50: Ethics and Compliance.
205-3	Confirmed incidents of corruption and actions taken.	None in the reporting period.

GRI CONTENT INDEX

Topic specific disclosure (continued)

GRI 206: Anti-competitive Behaviour 2016

206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.	None in the reporting period.
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GRI 207: Tax 2019

207-1	Approach to Tax.	See Avolon Tax Strategy - Link: avolon.aero/disclaimer .
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GRI 302: Energy 2016

302-1	Energy consumption within the organization.	Page 28: Efficient Own Operations; Page 29: Measuring Our Carbon Footprint.
302-2	Energy consumption outside the organization.	Page 29: Measuring Our Carbon Footprint.
302-4	Reduction of energy consumption.	Page 29: Measuring Our Carbon Footprint.
302-5	Reductions in energy requirements of products and services.	Page: 23: Focus On Young Fuel-Efficient Aircrafts, Fleet Transformation, Backing New Technology.

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG emissions.	Page 29: Measuring Our Carbon Footprint.
305-2	Energy indirect (Scope 2) GHG emissions.	Page 29: Measuring Our Carbon Footprint.
305-3	Other indirect (Scope 3) emissions.	Page 29: Measuring Our Carbon Footprint; Page 23: Focus On Young Fuel-Efficient Aircrafts, Fleet Transformation, Backing New Technology.
305-5	Reduction of GHG emissions.	Page 29: Measuring Our Carbon Footprint.

GRI 306: Waste 2020

306-2	Management of significant waste-related impacts.	Page 26 & 27: Circular Economy: Reuse and Recycle.
306-3	Waste generated.	Page 26 & 27: Circular Economy: Reuse and Recycle.

GRI 307: Environmental Compliance 2016

307-1	Non-compliance with environmental laws and regulations.	None in the reporting period.
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GRI CONTENT INDEX

Topic specific disclosure (continued)

GRI 308: Supplier Environmental Assessment 2016

308-1	New suppliers that were screened using environmental criteria.	Page 51: Working with Others to Deliver an Ethical Business.
308-2	Negative environmental impacts in the supply chain and actions taken.	None in the reporting period.

GRI 401: Employment 2016

401-1	New employee hires.	Page 32: 2022 People Highlights; Page 39: Diversity & Inclusion.
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GRI 403: Occupational Health and Safety 2018

403-6	Promotion of worker health.	Page 33 to 34: Employee wellbeing initiatives.
403-9	Work-related injuries.	None in the reporting period.
403-10	Work-related ill health.	None in the reporting period.

GRI 404: Training & Education 2016

404-2	Programs for upgrading employee skills and transition assistance programs.	Page 36: Attracting & Retaining Talent: Personal & Professional Development.
404-3	Percentage of employees receiving regular performance and career development reviews.	Performance Review - 100%.

Diversity and Equal Opportunity

405-1	Diversity of employees.	Page 39: Diversity & Inclusion.
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GRI 406 Non-Discrimination 2016

406-1	Incidents of discrimination and corrective actions taken.	None in the reporting period.
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GRI 407: Freedom of Association and Collective Bargaining 2016

407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	None in the reporting period.
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GRI 408: Child Labour 2016

408-1	Operations and suppliers at significant risk for incidents of child labor.	None in the reporting period.
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GRI 409: Forced or Compulsory Labour 2016

409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor.	None in the reporting period.
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GRI 412: Human Rights Assessment 2016

412-1	Operations that have been subject to human rights reviews or impact assessments.	None in the reporting period.
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GRI CONTENT INDEX

Topic specific disclosure (continued)

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments, and development programs.	Page 40: Caring for Our Community.
413-2	Operations with significant actual and potential negative impacts on local communities.	None in the reporting period.

GRI 414: Supplier Social Assessment 2016

414-2	Negative social impacts in the supply chain and actions taken.	None in the reporting period. Page 51: Working with Others to Deliver an Ethical Business.
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GRI 415: Public Policy 2016

415-1	Political contributions.	None in the reporting period.
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GRI 416: Customer Health and Safety 2016

416-1	Assessment of the health and safety impacts of product and service categories.	Page 51: Working with Others to Deliver an Ethical Business.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	None in the reporting period.

GRI 418: Customer Privacy 2016

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	None in the reporting period. Page 52: Information Security.
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GRI 419: Socioeconomic 2016

419-1	Non-compliance with laws and regulations in the social and economic area.	None in the reporting period.
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ABOUT THIS REPORT

This Sustainability Report for the financial year ended December 31, 2022 (the “Report”) is Avolon Holding Limited (Avolon)’s second Report on the sustainability of its activities.

Throughout the Report, all references to “Avolon”, “the Group”, “we”, or “us” refers to Avolon Holdings Limited and its consolidated subsidiaries.

REPORTING PERIOD

This Report covers the financial year ended December 31, 2022. All references in this Report relate to the 2022 financial year, unless otherwise noted.

REPORTING SCOPE

This Report covers Avolon Holdings Limited, and all consolidated subsidiaries.

AUDIENCE FOR THIS REPORT

This Report is aimed at our stakeholder groups who want to know more about our sustainability and performance in 2022.

REPORTING STANDARDS

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option. We follow the recommended reporting principles for defining the reporting content and quality under the GRI Standards. This Report includes a GRI Content Index, which is available on pages 54 - 61 so that readers can easily find specific data related to the GRI Standards. Throughout this Report, we reference our Annual Financial Statements and other relevant information available on our website at: avolon.aero.

FEEDBACK

We are committed to strengthening our stakeholder engagement and we welcome feedback on this Report, our sustainability disclosures, our sustainability approach, or any other aspect of our sustainability reporting.

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DISCLAIMER

CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

Certain statements in this report constitute forward-looking statements, beliefs or opinions, including statements with respect to the business, financial condition, results of operations and plans of Avolon Holdings Limited (the “Company”). These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company and all of which are based on management’s current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as “believe,” “expects,” “may,” “will,” “could,” “should,” “shall,” “risk,” “intends,” “estimates,” “aims,” “plans,” “predicts,” “continues,” “assumes,” “positioned” or “anticipates” or the negative thereof, other variations thereon or comparable terminology or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. No assurance can be given that such future results will be achieved. Forward-looking statements appear in a number of places throughout this report and include statements regarding the intentions, beliefs or current expectations of management with respect to future events, and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to our business concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates, most of which are difficult to predict and many of which are beyond the Company’s control.

These risks, uncertainties and assumptions include, but are not limited to, the following: general economic and financial conditions; impacts of the COVID-19 pandemic on our business and the aircraft leasing industry; the financial condition of our lessees; the impact of airline restructurings; our ability to obtain additional capital to finance our growth and operations on attractive terms; decline in the value of our aircraft and market rates for leases; the loss of key personnel; lessee defaults and attempts to repossess aircraft; our ability to regularly sell aircraft; our ability to successfully re-lease our existing aircraft and lease new aircraft; our ability to negotiate and enter into profitable leases; periods of aircraft oversupply during which lease rates and aircraft values decline; changes in the appraised value of our aircraft; the potential for global trade wars; changes in interest rates; our financial strength ratings and those of our shareholders, Bohai Leasing Co., Ltd. (“Bohai”) and ORIX Aviation, and the impact on our financial condition and ability to obtain financing; competition from other aircraft lessors; and the limited number of aircraft and engine manufacturers. These and other important factors may cause our actual events or results to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements contained in this report. Such forward-looking statements contained in this report speak only as of the date of this report. For the reasons described above, we caution you against relying on forward-looking statements. We expressly disclaim any obligation or undertaking to update these forward-looking statements contained in the report to reflect any change in our expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law.



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