



Annual Review & Sustainability Report 2022

Menzies Aviation



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Welcome to the new Menzies Aviation



His Majesty's Ambassador to the State of Kuwait Belinda Lewis, Menzies Aviation CEO Philipp Joeinig and Menzies Aviation Chairman Hassan El-Houry opening our new Global Headquarters in London.

Menzies Aviation is the leading service partner to the world's airports and airlines, with operations at more than 250 airports in 60 countries.

We became the largest aviation services company by number of countries when we joined forces with National Aviation Services in August 2022.

We are combining the best of both worlds and have big plans for our business, which is well positioned to accelerate growth in the years ahead.

Our ambition is to be the undisputed number one in our industry. This means having the best safety record, the highest growth rate in the market and the largest footprint.

Achieving this will only be possible if we have the best talent and experienced leadership working together to ensure we are the industry leader. Our global team of 40,000 highly trained people are absolutely vital to our business and we thank them for their ongoing commitment to keeping passengers, aircraft and cargo moving around the clock, every minute of every day.

We take pride in providing the safest, most secure and consistent services tailored to our customers' needs. This will continue to be our priority as we grow alongside our customers and support their sustainability journeys as the industry transitions to a net-zero future.

For us, sustainability is at the heart of everything we do. It's the cornerstone of our business strategy and we are pleased to share progress on our goals.

We hope you find our 2022 Annual Review & Sustainability Report informative and insightful.

Thank you for your support.

Hassan El-Houry
Chairman

Philipp Joeinig
CEO

OUR GLOBAL FOOTPRINT

No.1
by number of countries

60
countries

No.2
by number of airports

256
airports

6
continents

40k
employees

[Read more page 4 >](#)

“Together, we will shape the future of aviation.”

New era of growth

It is my pleasure to introduce our Annual Review & Sustainability Report for 2022. As the world leader in aviation services, we have a responsibility to generate sustainable growth and help shape a successful future for all our stakeholders.



Aviation connects people, businesses and ideas across continents and cultures. This was brought into sharp focus over the last three years as we experienced one of the sharpest declines in aviation history, and equally, a rapid recovery. The industry is emerging with a heightened sense of responsibility, including delivering on its net-zero ambitions. Growth will always be important, but it must be both responsible and sustainable.

Menzies is the world leader in aviation services, and we are unwavering in our commitment to retain this position. Over the past year we have expanded our global footprint, nurtured customer relationships, and put sustainability at the heart of everything we do. Supporting this success is our people, which is why we are focused on attracting, retaining and developing the industry's best talent.

We now have a team of 40,000 highly trained people and we are working hard to harness their passion and ensure everyone can reach their full potential whether that be on the ramp, in a cargo warehouse or providing essential back-office support. There is a seen and unseen team behind every aircraft turn and we want to ensure their value is recognised.

Combining Menzies with National Aviation Services under the ownership of Agility reshaped the aviation services industry, and marked a new era of accelerated growth for our business. We added three new countries in 2022, a further three so far in 2023, numerous new airports, and countless new clients around the world. With solid foundations in place, we remain resolute in delivering our refreshed business strategy that will ensure Menzies will go from strength to strength in the years ahead.

Yes, we want to continue the momentum so we can offer a greater range of services to customers at more locations, but we also want to invest in technology, innovate to make aviation more sustainable and efficient and have the strongest team to deliver the safest and most consistent services to our airline and airport partners.

We want to support our customers' growth ambitions and collaborate on their sustainability journeys. Aviation is constantly evolving, and as such, so will we.

As the industry leader, we have an incredible opportunity to reshape our industry for the better and create a fair and sustainable future. All the best for the year ahead.

Hassan El-Houry
Chairman

Our journey

- 1833**
Founded in Edinburgh, Scotland as a bookseller
- 1962**
Listed on the London Stock Exchange
- 1965**
Business grows to 90 wholesale warehouses, 350 railway bookstalls and 161 retail shops
- 1989**
Acquires an airline cargo services business, laying the groundwork for the Menzies we see today
- 1993**
Air Menzies International established
- 1998**
Divests retail division, including 220 bookstores and 220 children's toy and games shops
- 2000**
Becomes international cargo courier with acquisition of the Ogden Group that opens the door to ground handling
- 2006**
Cargo and ground handling services start in Australia and America
- 2017**
Becomes largest independent into-plane fuelling and fuel farm management provider
- 2018**
Menzies Distribution is sold to become a pure-play aviation business
- 2022**
Menzies is combined with National Aviation Services to create a network of more than 250 airports

Our ambition is to be the undisputed No.1 aviation services company in the world.



THE YEAR IN REVIEW

Our business has been constantly evolving since 1833. We are proud of our heritage and journey to become the world's largest aviation services company. In 2022, we entered a new era of accelerated growth.



January

Following a competitive process, we renewed our contract to provide into-plane fuelling operations for Shell Aviation across its UK fuelling network at seven airports.

February

Our wholesale freight forwarder Air Menzies International increased its presence in Europe with a new branch in Frankfurt, our first location in Germany.

March

Our first Women in Leadership cohort completed the programme, which aims to support career development within Menzies and contribute to our gender diversity goals. More than 70 women have completed the programme.

April

We held our first of two safety and security MORSE Weeks for 2022 to reinvigorate, inspire and influence the behaviours that help create a positive safety culture, which ultimately prevents incidents.

May

The winners of our first We Are Menzies Awards were announced. The awards were created to recognise colleagues living our values every day. Regional finalists and five global winners were selected from 1,200 nominations.

June

We won the International Air Cargo Handler of the Year award at the 2022 STAT Times International Awards for Excellence in Cargo in Mumbai, reflecting the success of our cargo business which has grown from 36 locations in 2018, to 74 today.



July

We joined the Mission Possible Partnership to help decarbonise aviation. In collaboration with the Clean Skies for Tomorrow coalition, which we are also part of, the MPP published a new Aviation Transition Strategy to achieve net-zero aviation by 2050.

August

We were acquired by Agility and de-listed from the London Stock Exchange. As part of the deal, we joined forces with National Aviation Services to create the world's largest aviation services company.

September

The integration of NAS started in Abidjan, Côte d'Ivoire with the team transitioning to our systems, processes and brand. The seamless integration set a great example for the stations that followed.

October

A new five-year ground handling license for nine airports in South Africa was followed by several significant ground and air cargo contracts. The extension allows us to continue growing our business in South Africa, where we have been operating since 2008.

November

We won our first Wizz Air contract outside of Europe to provide ground services for Wizz Air Abu Dhabi at Kuwait International Airport. We added another European location with Wizz at Nice, building on our relationship at several European airports, including London, Budapest and Prague.

December

We opened our new global headquarters in London signalling our intent and reach as the world's largest aviation services company. We are extremely proud to be a British business with a rich Scottish heritage and it's fitting that our headquarters have returned to the city where John Menzies was first inspired to launch his successful business 190 years ago.

OUR PURPOSE AND CULTURE

Our sense of purpose and responsibility has naturally developed over the last few years, as we have recognised the value defining a clear purpose has brought and continues to bring to our company.

Through creating a clearer ‘sense of self’ and what we believe in as a company, has helped to shape and weave together our values, culture, strategy, approach to sustainability, and to analyse our stakeholder relationships. This has firmly set us on a path to lead and effect positive change, deliver leading sustainable aviation services and achieve our ambition of becoming the undisputed number one aviation services provider.

Our purpose

Our purpose is to provide safe, trusted and sustainable aviation services serving the needs of our customers now and for the future.

Our culture

Our culture is built on strong ethics and integrity, underpinned by our values and purpose.

We continually strive to develop an inclusive and nurturing environment, where people are guided and inspired to deliver their best for themselves, for each other and for our customers, every day.

Our strategy

Our strategy sets out our plan for achieving our purpose, accelerated sustainable growth and strong returns, securing our place as the number one aviation services provider in the world.

ESG and Sustainability

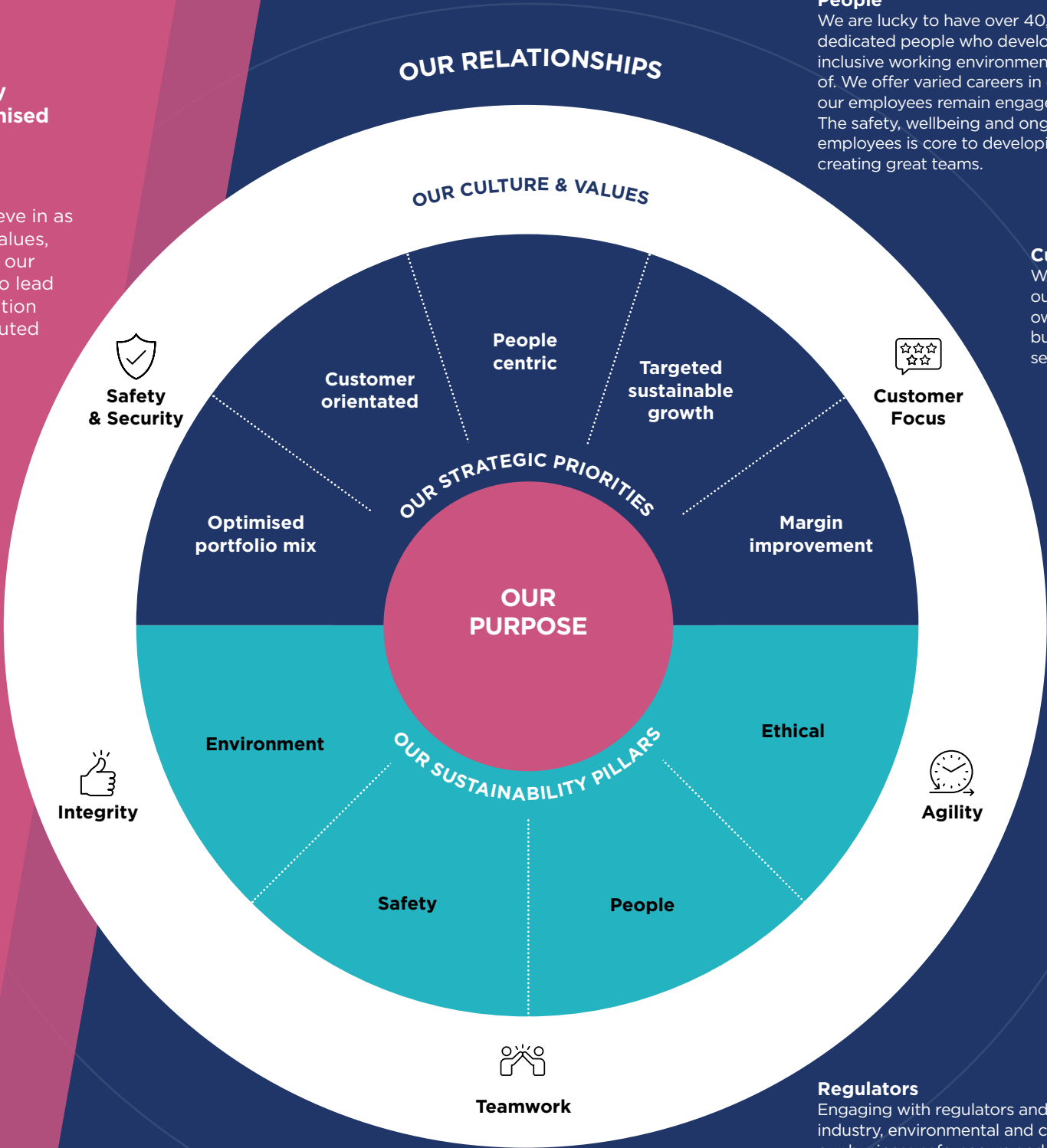
All In is our plan for a fair and sustainable future. It is at the heart of everything we do. Through our ambitious goals and plans, and collaboration with our partners, we will lead the way in delivering the most sustainable aviation logistics services, enabling responsible accelerated growth for a thriving future.

Read more about our strategy and sustainability strategy on pages 10 and 19 >

Values

Living our values every day is what enables us to achieve our ambition and deliver our purpose. They are at the core of our business and help us to create and maintain an inclusive culture, guide our decisions and actions and deliver the best for our customers.

Read more about our values on page 8 >



People

We are lucky to have over 40,000 experienced, diverse and dedicated people who develop our culture and help shape an inclusive working environment that people want to be a part of. We offer varied careers in dynamic environments, ensuring our employees remain engaged in delivering results. The safety, wellbeing and ongoing development of our employees is core to developing pride in the workplace and creating great teams.

Customers

We work with customers in a range of markets, ensuring our service offering is the right one to help them meet their own business challenges. As a professional aviation services business, our customers benefit from our best-in-class services, approach to safety and flexible technical solutions.

Suppliers

We seek to work with suppliers who share the same values and sustainable aspirations as we do and who can support our growth and add value to our business. Developing resilient, ethical and sustainable supply chains globally is our priority.

Communities & Partners

We rely on, and aim to make a positive impact on, the local communities and environments in which we operate by reducing environmental impacts, creating employment opportunities, supporting local charities and community initiatives and providing sustainable solutions for our customers.

Governments

Engaging with governments including participation in consultations provides a mechanism to share our aviation industry experience and discuss how governmental policy and political change impacts our operations, how future sustainable aviation policy could develop, and enables us to seek governmental support that will help create an efficient, sustainable and decarbonised aviation industry for the future.

Regulators

Engaging with regulators and ensuring full compliance with industry, environmental and corporate regulations, keeps our business safe, secure and operating to the highest standards. We welcome opportunities to consult on and help evolve regulations to ensure continued relevance, challenge companies to improve, and drive positive change.

WHAT WE DO

Our aviation services are vital in keeping passengers and air cargo moving around the clock, every minute of every day. We aim to deliver the safest, most secure, and sustainable aviation services tailored to our customers' needs.



Ground services

We provide time-critical airport services, ensuring passengers, crew and aircraft complete journeys efficiently and on schedule. Every passenger journey can have multiple seen and unseen interactions with our teams and we always do our best to deliver a safe and trusted service alongside a world-class passenger experience. Our services include:

- Passenger services from check in to boarding.
- Lounges and Meet & Assist.
- Ramp handling and baggage.
- De-icing aircraft.
- Aircraft cabin cleaning.
- Engineering.
- Fixed Base Operations.

1.1m

aircraft turns
handled in 2022



Fuel services

We are the world's largest independent provider of into-plane fuelling services and fuel farm management for oil companies, airports, airlines and other partners across the world. Managing the refuelling of aircraft and the infrastructure required to support this service is a precision activity which must operate to exacting government and industry standards, including safety and environmental regulations. We provide:

- Into-plane fuelling.
- Fuel storage and hydrant management.
- Technical services.

3m

aircraft fuelled in 2022



Air cargo services

We manage the global transportation of high value and time critical cargo. Decades of experience, supported by cost-effective and innovative logistics solutions, means we are trusted to provide a reliable and secure service. We provide:

- Warehouse storage facilities.
- Build-up and breakdown.
- Customs clearance requirements.
- Aircraft loading and unloading.
- Freight aircraft handling.
- Special cargo handling such as live animals and pharma.
- Labour-only services.
- Freight forwarding.

2m

cargo tonnes
handled in 2022



WHAT SETS US APART

We are proud of our heritage and journey to become the leading aviation services provider.

We are a vital component in the aviation industry, and we strive to be the best at what we do. Our teams deliver the safest, most secure and sustainable aviation services to airline and airport customers every minute of every day. We lead the way, but we owe it to our people, our customers and communities to never be complacent.

Safety & Security

The safety and security of our operations and our people is our number one priority. We perform better than the industry average for aircraft ground damage and the number of security incidents and injuries are trending down. Our best-in-class safety and security culture encourages people to follow procedures because they want to, not because they have too.

People

We are a people business, and our people are what makes us unique. We offer industry leading training that is consistent across our global network so everyone has the right tools and training to do their job safely. We care about our employees and want them to reach their full potential in an inclusive and diverse culture. Wellbeing, career development and recognition initiatives all contribute to this.

Sustainability

We are an industry leader in ESG and sustainability. All In is our plan to create a fair and sustainable future by achieving ambitious goals that will make a tangible difference. It's the cornerstone of our business strategy and is part of our decision-making process. We are transparent and robust in our reporting so stakeholders can track our progress. We also collaborate with colleagues, customers and partners to achieve our goals, while also supporting their own sustainability journeys.

Innovation

We engage with our customers to meet their needs and deliver innovative solutions. End to end integration ensures we have the right people at the right place at the right time to deliver for our customers. Our mobile first approach ensures real time oversight and control of global operations, reducing paper and increasing efficiency. We are investing in automation and improved efficiency and on-time performance.

Collaboration

We are a vital component of the aviation industry alongside airlines and airports. Collaboration across the sector is essential as we work towards shaping the future of aviation. Our agile mindset and willingness to collaborate creates a solutions orientated environment. We pride ourselves in developing strong customer relationships to ensure we are the partner of choice.

Our values

Living our values every day is what enables us to achieve our ambition and deliver our purpose. They are at the core of our business and help us to create and maintain an inclusive culture, guide our decisions and actions and deliver the best for our customers.



Safety & Security

Safety & Security always comes first, that's why we never compromise.



Teamwork

Building relationships with those around us makes us all stronger and more successful.



Integrity

We're open and honest in all we say and do, creating trust, and growing our reputation for high standards.



Agility

Every day is different; we have the energy and expertise to respond successfully to any situation.



Customer Focus

We deliver the best service for our customers and create relationships built on trust.



Accelerating growth

Menzies has been flying over the past year with the expansion of our network, commercial success and advancing our sustainability journey.



2022 revenue

+26%

Increase compared to 2021

Underlying operating margin

5.9%

Our people are vital to aviation, and I thank them for their commitment during what has been an exciting, but at times demanding, year with workforce challenges impacting the wider aviation supply chain.

The overall recovery of flight volumes was heartening to see with IATA data showing global traffic reaching 85% of pre-pandemic levels in January this year. A positive sign of the industry's recovery but also highlighting we still have some way to go. The recovery in flight volumes and our commercial success resulted in a strong financial performance in 2022, with a 26% increase in revenue compared to the previous year.

Covid-19 continued to impact our business to varying degrees. We started 2022 with the Omicron variant followed by the challenge of recruitment keeping pace with the rapid rebound of travel. Some regions recovered faster than others, closely linked to the speed at which governments eased border restrictions. Despite the headwinds, we maximized opportunities throughout 2022 and entered three new countries. Our freight forwarding business, Air Menzies International, and our air cargo division experienced record highs. Both expanded their global reach.

With passenger journeys expected to recover in 2024 and global passenger growth of between 1.5% and 3.8% over the next 20 years, we must ensure all segments of aviation have the workforce required to keep people and cargo moving seamlessly. With more than 40,000 colleagues around the globe, the Menzies team is back to full strength and with further business opportunities in the pipeline our team is set to grow. Welcome to everyone who has joined Menzies this past year, including our fantastic National Aviation Services colleagues.

Headquartered in London, we are a truly global company and trusted partner in 60 countries. Agility's acquisition of our company last year marked a new era of accelerated growth. We have big plans as we strive to become the undisputed number one in aviation services.

Menzies now has the resources to scale up our air cargo, ground and fuel services and also innovate to ensure our services are efficient, sustainable and consistent. Safety will always be our number one priority and is a core pillar of our sustainability strategy, alongside ethics, people and environment. We are making progress across all four pillars as we aim to create a fair and sustainable future. Collaborating with customers and partners is high on the agenda to help them achieve their sustainability goals as well as supporting the wider industry to reach net-zero targets.

Our leadership team remains focused on delivering our business strategy. While we are resolute on accelerating growth, it must be both responsible and sustainable. This means optimising our portfolio mix, targeting new business and entering new markets, improving our margin, remaining customer orientated and being a people centric business.

I would like to thank our customers, partners and everyone at Menzies for their support throughout the year. It's a great time to be part of Menzies and I'm proud to be part of the team.

Philipp Joeinig
CEO

Our strategic priorities

Strategic pillar	 Optimised portfolio mix Curate optimum portfolio mix of customers and services to deliver growth and strong returns.	 Customer orientated Be the partner of choice by creating strong relationships with customers and helping to deliver their goals.	 People centric Invest in employees to build a diverse team of motivated and passionate people to deliver safe and secure services.	 Targeted sustainable growth Expand global footprint responsibly and sustainably, focusing on emerging aviation markets with high growth.	 Margin improvement Drive margin improvement by focusing on organic and inorganic growth, cost management, and portfolio management.
	What we did in 2022 Delivered a more resilient revenue mix - Continued growth of air cargo services increasing our network to over 70 facilities with over 2m tonnes of cargo handled. - First Australian line maintenance services contracts won. - Through the merger with NAS our lounge and executive services portfolio has significantly increased. - Increased our fuel farm operations to over 50 locations in the US and Canada.	Focused on being a solutions orientated provider - We have enhanced our customer focus by investing in new systems and doubling the number of key accounts. - Our track record of securing new business continued with significant new contracts secured during the year. - Collaborated with customers on sustainability initiatives to collectively reduce our carbon footprint.	Put our people at the heart of our business - Continued to prioritise the safety of our people and create inclusive working environments. - Focused on allyship and unconscious bias, delivering new training to support employees. - Expanded our Women in Leadership programme and Living leadership training and career development. - Range of initiatives focused on attracting and retaining employees.	Focused on higher margin emerging markets - The merger with NAS increased our portfolio spread bringing a number of new locations in emerging markets. - Within the Americas region we have started new operations in three new countries. - Evolved our All In sustainability plan and how we apply a sustainability lens to our decision-making and support responsible growth.	Overall margin improvement - The merger with NAS and its presence in emerging markets helped to grow the overall Group margin. - Throughout the year we worked on productivity and new innovations. - Continued to look at and add higher margin revenue streams. - Secured key contracts across the network at favourable rates which helps build margin security. - Focused business ready to support accelerated growth in existing and new markets.
	Looking ahead We will continue to focus on delivering a balanced portfolio between air cargo, fuel and ground services, expanding and growing our ancillary services where appropriate.	Collaboration and strong relationships with customers has never been more important. We will build on our existing relationships and seek out new partnerships.	We will continue to enhance the ways we communicate with front-line colleagues, build on our employee wellbeing support, ensure our diversity forums inform positive change, focus on leadership development and embed our values across the business.	We are targeting accelerated growth across all markets with a particular focus on maximising opportunities in emerging markets and from our ability to offer increased services in more locations. We aim to be a sustainability leader, and ensure we support our growth responsibly.	We will continue targeting higher margin business wins, developing an optimised portfolio that attracts a higher margin and focusing on emerging aviation markets for business development opportunities.

Americas

Our Americas region delivered an outstanding year as measured by safety, operational performance and commercial success making it the best year yet for the region.

Q&A: John Redmond, EVP Americas

What were the key trends across the Americas market in 2022?

The Americas market exited 2022 in a far stronger place compared to the start of that year with international and domestic flight volumes recovering. We saw North America’s overall flight volumes return to 83% of pre-pandemic levels by the end of 2022 and Latin America returned to 81%, according to IATA.

Difficult labour markets were a key trend and challenge for aviation and other service industries across the Americas. The ability to hire and retain employees remains the biggest challenge in our 13 countries, but we are performing better than we did in the previous year. As a result, we are continuing to provide safe, secure and consistent quality service to our existing customers, while adding new customers to our portfolio through multiple contract awards across the region throughout 2022.

Looking back at the previous year, how did your region perform?

2022 was a good year as measured by safety and operational performance, and this was validated by the many significant contracts we secured throughout the year. We renewed all of our material expiring contracts including with our largest customers in Mexico and Colombia and we achieved

the largest net sales wins in the history of our region, making 2022 our best year yet in the Americas. During the year we won a series of large contracts with several of our key global airline customers including Copa, Norse Atlantic, Avianca, Mas Air, Frontier, Delta and many others.

Where are the key opportunities for accelerated growth?

We have several acquisitions in the pipeline for the year ahead with a focus on Latin America and the Caribbean. We are also noticing that some of the smaller, privately owned service providers are struggling to cope with the challenging labour market, which is creating new opportunities for us to win new business and open in new cities.

We are excited about our renewed momentum in cargo and in 2023 we will open new cargo warehouses in several locations including Chicago Rockford and Philadelphia airports in the US and Medellin Airport in Colombia and we expect to expand our cargo footprint further with a number of acquisitions. We expect to expand our into-plane fuelling services and fuel farm management in North America, where we have a strong fuel services presence. Key new markets we are focusing on are Dallas Fort Worth International Airport, Boston Logan Airport and Chicago Midway International Airport amongst others.

COMMERCIAL SUCCESS

Trusted partner in Latin America

We continued to grow our presence in Latin America, especially Mexico and Colombia where we have renewed all key customer contracts and consolidated our position as the market leader in both countries. In Mexico, we onboarded Aeromexico as a customer in over 20 cities thanks to our focus on partnering and growing with customers. All of this resulted in a 50% increase in ground handling turns across Latin America.

Fuel services gain momentum

The continued momentum in our North America fuelling business included two new tank farm management contracts at Dallas Fort Worth International Airport and William P. Hobby Airport in Houston, taking our total number of tank farm management sites to over 50 in the US and Canada. We also secured new into-plane fuelling business with several customers taking our region’s total fuelling turns to over 2.5 million per annum.

Philadelphia cargo entry

We were pleased to be selected as a key cargo partner at Philadelphia International Airport, as part of its cargo expansion strategy. We will occupy a new 150,000sqft facility that will target pharma and e-commerce cargo.

CASE STUDY

Montreal operations launched

We are now based at 14 airports in Canada after securing a ground handling license at Montreal-Trudeau International Airport (YUL) to provide a full suite of ground services until the end of 2030. Operations launched in May this year with several airlines, including Copa Airlines, Flair Airlines, Lynx Air, Qatar Airways, Royal Air Maroc and Turkish Airlines, with more customers in the pipeline. With our excellent track record of setting up operations at pace, we are confident the expansion from cargo into ground services at YUL will be a great success. Since our entry into Canada in 2005, we have developed long-standing partnerships with our airline customers and grown our presence across the country in multiple stations, delivering fuel, cargo, and ground services.

Countries

13

Employees

15.7k

Airports

121

Percentage of
Menzies total revenue

34%



Europe

Our exceptionally high contract renewal rate in Europe is testament to our high-quality service and strong customer relationships.

Q&A: Miguel Gomez Sjunnesson, EVP Europe

How did the region cope with the rapid rebound in air travel last year?

The surge in demand for air travel combined with workforce shortages created a turbulent year for Europe's aviation industry. After a stop-start two years, Covid-19 travel restrictions began to ease permanently in the first quarter of 2022 followed by a rapid increase in flights with some airports exceeding pre-pandemic passenger volumes. The entire supply chain was impacted by staff shortages causing a range of challenges, including constantly changing flight schedules which had a knock-on effect on our operations. We ramped up recruitment in preparation for the holiday travel peaks and we hired over 4,000 people during the year in a very difficult labour market fuelled by low unemployment and high inflation.

How did you achieve commercial success in this difficult climate?

We worked extremely hard to maintain close working relationships with all our customers. As a result, we secured long-term airline partnerships, illustrated by a 96% renewal rate in 2022.

We expanded our footprint to 16 European countries, including a joint venture in Montenegro and Serbia and a strategic partnership in Milan, Italy. We delivered our bid to operate at 41 airports

in Spain and we look forward to finding out the result later this year. We have a healthy pipeline of opportunities, including entry into Portugal, as we look to increase our presence across Europe.

Looking ahead to 2023, what's in store for your region?

Each month we are seeing an improvement in passenger volumes and summer volumes are expected to exceed last year. The industry has been focused on rebuilding and also ensuring the supply chain is resilient. Workforce challenges will continue to be felt in some countries and the inflationary environment is forcing costs up so we will need to navigate our way through this alongside our customers. The war in Ukraine continues to have an impact on the region, particularly on cargo volumes which are proving slower to improve compared to the rest of the world.

As always, safety and security are our number one priority and with so many new employees across our region we are focused on training and upskilling everyone so they can provide safe, secure and consistent services to our airline customers whether that be in fuelling, air cargo or ground services.

COMMERCIAL SUCCESS

Menzies lands in Italy

We formed a partnership with AGS Handling in 2022 to provide ground services in Italy, with operations launching at Milan Malpensa Airport in early 2023. We are providing passenger and ramp services to 24,500 easyJet flights per year. We have a well-established relationship with easyJet dating back 15 years and we now support them at their three largest hubs in Milan, London Gatwick and London Luton, and in eight countries across Europe.

Eastern Europe expansion

We expanded our presence in Eastern Europe with the acquisition of a majority stake in a ground services company at three airports in Montenegro and Serbia. Both countries have significant potential for growth with Serbia building itself as hub for the Balkan region and rising tourism in Montenegro.

Air Canada partnership extended

We renewed a significant contract with Air Canada at London Heathrow to deliver passenger, ramp, cabin cleaning and lounge services at the airline's largest airport operation internationally. We also won a new contract to provide a full suite of ground services for Air Canada at Copenhagen. Both were the first locations to adopt the terms of a Master Services Agreement (MSA), which streamlines our contractual process with Air Canada.

CASE STUDY

UK fuels network grows

Our long-standing relationship with Shell Aviation was extended with the renewal of a contract to provide into-plane fuelling operations across its entire UK fuelling network, spanning seven airports. We have increasingly grown our fuels service provision for Shell Aviation and the renewal was testament to our strong track record as a safe and efficient operator. The renewal included operations at London Heathrow, London Gatwick, Birmingham, London Luton, Manchester, and London Stansted airports. It was also extended to include Liverpool John Lennon Airport.

Countries

16

Employees

10k

Airports

49

Percentage of
Menzies total revenue

29%

Middle East, Africa & Asia

Our Middle East, Africa & Asia (MEAA) region was bolstered when we combined forces with National Aviation Services.

Q&A: Charles Wyley, EVP MEAA

How would you summarise 2022?

Rebuilding was the theme for the MEAA market in 2022. In the Middle East, we saw growth in both passenger and cargo volumes as airline routes reopened. Following successful recruitment drives, our teams worked hard to provide a safe, secure and high-quality service to our airline customers.

Africa has been slow to recover. We have seen an improvement in airline schedules, but flight cancellations due to lower passenger volumes offset this. It was positive to see a steady increase in cargo volumes, however they are yet to reach pre-Covid levels.

Menzies-RAS, our joint venture in Pakistan, secured new business with major carriers across eight airports and enhanced safety and security standards by implementing our global standards and industry best practice.

Have you completed the integration of NAS into Menzies?

The addition of NAS has bolstered our regional expertise. Customers now have a greater range of services in more locations, which opens the door to accelerated growth.

We welcomed 4,500 NAS colleagues into Menzies and locations have seamlessly transitioned to the Menzies brand, systems and processes. It was fantastic to see our new colleagues take part in our

bi-annual MORSE Week, which reinforced the training they completed as part of integration to ensure everyone provides safe, secure and consistent services across our global network.

Where are you looking to accelerate growth this year?

We remain optimistic about the MEAA market having started the year with a series of commercial successes and healthy pipeline of opportunities. The Middle East is growing with many countries investing in airport infrastructure in preparation for further expansion.

In the Kingdom of Saudi Arabia, we are currently exploring low-cost carrier ground handling solutions as part of a Memorandum of Understanding with SAL Logistics as the country looks to grow aviation. Middle Eastern carriers are also expanding into Africa, and we are working with several on how we can jointly expand our network along with theirs.

Strong partnerships are becoming increasingly important, and we will continue to focus on strengthening these while also delivering safe and consistent services to our airline and airport partners across MEAA.

COMMERCIAL SUCCESS

Bangalore cargo expansion

A new partnership with Bangalore International Airport Limited will significantly expand our cargo operation in one of India's key strategic transport hubs. We will manage an import/export facility with a capacity of 210k tonnes, with plans to increase the capacity by 40k tonnes. We will also build a new domestic warehouse on a greenfield site, handling an initial 250k tonnes of cargo, with scope to increase to 400k tonnes.

Soaring in South Africa

We marked 15 years in South Africa with game changing wins after being awarded a new five-year ground handling license. We won new business at seven airports with FlySafair and extended our long-standing partnership with Airlink at seven airports.

An agreement with South Africa Airways to provide air cargo services in their Johannesburg, Cape Town and Port Elizabeth facilities means we are now based in the largest air cargo warehouses in the country.

Kuwait lands Wizz Air

We won our first Wizz Air contract outside of Europe for Wizz Air Abu Dhabi at Kuwait International Airport, where we are providing ramp, passenger, security and ticketing services for the airline's seven flights per week. This builds on our existing relationship with Wizz spanning several European cities.

CASE STUDY

100 homes for Pakistan flood victims

Following the devastating flooding that impacted millions of people in Pakistan last year, we helped build 100 homes for families in partnership with SPARS Group, shareholders of Menzies-RAS, our joint venture in Pakistan. The 'Prime Minister Shehbaz Sharif Flood Relief Village' was built in the Tank District of the Khyber Pakhtunkhwa (KP) province and includes a school, medical clinic, solar plant capable of powering the entire village and a tube-well for water. Ninety displaced families moved into the two-bedroom homes in October as they looked to rebuild their lives.

Countries

25

Employees

11.5k

Airports

61

Percentage of Menzies total revenue

9%

Oceania & South East Asia

Our Oceania & South East Asia (OSEA) region performed well in 2023 by diversifying and adapting to create a springboard for further growth across the region.

Q&A: Alistair Reid, EVP OSEA

Looking back at 2022, what were the challenges and opportunities?

We achieved positive organic growth in 2022 as domestic volumes returned to pre-Covid levels in Australia and New Zealand, however international travel did not rebound at the same pace. Airlines increased operations over summer, but unfortunately the labour market didn't follow the same trend. From retail to security, immigration and ground services, the airport supply chain continued to face workforce shortages.

In East Asia there has been a steady recovery since mid-2022. Each country slowly relaxed their covid requirements which allowed the sector to recover in a controlled manner. This resulted in an uptick in passenger traffic during summer with a corresponding decline in freighter demand. We expect cargo volumes overall to retract a little throughout 2023 following the decline in consumer spending, however the cyclical downturn is expected to reverse next year.

What are your expectations for the year ahead?

Despite the economic headwinds, I'm confident 2023 will see further recovery and growth across our region thanks to our strong customer relationships. Recruitment and labour shortages continue to be a key challenge that we need to overcome by promoting our industry to new talent.

The sudden re-opening of China at the start of January stimulated recovery and we're expecting a further rise in passenger and cargo movements across the region in the coming months.

Where will we see accelerated growth in OSEA this year?

We see huge potential for growth in South East Asia and China. We opened a regional office in Singapore last year to re-align our existing operations in Macau, Thailand, and Indonesia, and focus on business development opportunities.

We have secured several contract renewals with key customers while also developing a pipeline of M&A activity in new and existing countries.

We're also focused on growing with our customers like we have done with the Qantas Group at ten airports across Australia and New Zealand. This has diversified our ground services businesses and we are now handling more narrow body, high volume turns.

COMMERCIAL SUCCESS

Engineering launches in Australia

We won our first engineering contract in Australia with LATAM Airlines at Sydney Airport. This was a significant milestone in our pursuit to expand our line maintenance business into Australia off the back of our successful engineering division in New Zealand.

United Airlines partnership flourishes

Our partnership with United Airlines continues to flourish with a new ground services contract at Brisbane Airport meaning we now provide passenger, ramp and air cargo services to the carrier in all three of their Australian ports – Brisbane, Sydney and Melbourne.

Auckland lands Air Asia X

We landed new business in Auckland with Air Asia X to provide ramp, passenger, cleaning, cargo and engineering services for the carrier at New Zealand's largest airport. This was an expansion of our regional partnership with the airline.

CASE STUDY

Qantas Group expansion

We expanded our partnership with the Qantas Group to ten airports across Australia and New Zealand. In doing so we diversified our ground services business from predominantly wide body to high volume, narrow body handling. In Melbourne, we started ground services for the Group's low-cost carrier Jetstar, servicing 370-plus flights per week. This was an extension to our domestic Jetstar business that we recently gained in Australia.

Countries

6

Airports

25

Employees

3.6k

Percentage of
Menzies total revenue

10%

Air Menzies International

Air Menzies International (AMI) achieved a record year as well as opening four new locations in Germany, Pakistan and Canada.

Q&A: Jonathan Clark, CEO AMI

How would you summarise the 2022 freight forwarding market?

We experienced a year of two halves as dictated by the market, which started out relatively stable after experiencing record highs in 2021. This stability resulted in AMI performing well in the first half of 2022, before being impacted by economic and geopolitical headwinds, such as rising inflation causing a drop in household spending and the war in Ukraine disrupting trade flows.

Declining freight volumes saw airlines realign their cargo capacity and reduce air cargo rates to 2019 levels. Strengthening relationships with our freight customers has never been more important as the shift in the market has resulted in some customers going direct to airlines.

How did you achieve a record year against the backdrop of softening cargo volumes?

Despite the ebbs and flows of 2022, AMI achieved a record year with revenue up 10.4% and tonnage up 7.1% compared to the previous year. The strong performance in the first half of 2022 provided enough momentum to cross into 2023 on a high.

The first quarter of this year has been challenging as cargo demand has continued to fall. According to IATA, global airfreight tonnage is down by 11% compared to 2019 levels. While all our regions have been impacted by the difficult trading environment to varying degrees, there are positive signs for AMI such as global export orders increasing.

What developments can we expect from AMI this year?

After four years of growth, we are using the cyclical cargo downturn to complete several IT initiatives that will benefit customers, including our click2ship online booking platform. We are also focused on delivering our ambitious growth plans, which include increasing our presence in the major global trade lanes. Our innovation and expertise in wholesale freight forwarding puts us in a strong position to take advantage of new opportunities when markets start recovering towards the end of this year and into 2024.

COMMERCIAL SUCCESS

Strategic growth

We expanded our global network with new branches in Frankfurt, Germany, Lahore and Karachi in Pakistan and Toronto, Canada. Customers at these locations can access our full suite of wholesale airfreight services, including door-to-door services on global import and export shipments; exports with consolidation and Back2Back; and our express booking platform Quick2ship. The expansion further ensures the reliable movements of freight between AMI locations.

Click2ship upgrade

Click2ship, our online booking platform for express shipments, was extensively upgraded with increased functionality and a new look and feel, allowing customers to book express export, import and cross trade shipments in five simple steps. The new version was launched in the US in late 2022, gaining positive feedback from customers, and we are currently implementing the upgrade across the rest of our network

Charter expertise

We increased our charter capability by offering more charters throughout 2022. As well as being commercially successful, it expands the services we can offer customers and increases the skills and capabilities of our teams in this specialist sector.

CASE STUDY

Investing in South Africa

Construction has started on our new wholesale freight facility in Johannesburg that is less than 1km from O. R. Tambo International Airport. Colleagues will benefit from modern office and warehouse environments, which will be built with sustainability in mind. Solar panels will generate at least 80% of energy required and we will continue to use electric forklifts. The new 47,500 square-foot warehouse will be 47% bigger than the existing facility and we will introduce a fully bonded function for import customers. This is a significant investment in our Johannesburg branch which has been operating since 2002 and affirms our commitment to South Africa.

Countries

11

Employees

447

Locations

27

Percentage of Menzies total revenue

17%

STRATEGY IN ACTION

Cargo innovation

The cargo warehouse of the future will operate very differently from today’s facilities. Think autonomous vehicles, robotics and paperless environments.

STRATEGY IN ACTION:
Embracing new technologies

Strategic link



As part of our plans to transform and fortify our position as the leader in the market, we are investing in new technology to enhance our cargo operations with solutions to improve operational efficiencies, enhance workplaces for employees and support our sustainability goals.

In early 2022, we held our first technology showcase with tech powerhouses and next generation logistics startups pitching their solutions to our expert panel. We took forward several proof of concepts and after successful trials, we are now rolling out to key facilities in our global network that spans 74 locations.

We recently selected global technology services and consulting company Wipro to provide a cutting-edge warehouse management system, which will improve business efficiencies, employee experience and customer service. It also provides a platform to easily adopt future systems and solutions.

Air cargo locations globally

74

“It has been a very busy year on the innovation front and we now have a portfolio of products ready to roll out to our key warehouses and markets, which will make a significant difference to our employees and our customers. Looking ahead, we will be testing automated pallet movers, wildlife scanning technology and artificial intelligence.”

Robert Fordree, EVP Cargo

Robot recruit

Mimi our autonomous robot from Dexory has been running daily inventory checks at our London Heathrow warehouse, providing real-time data and automating inventory processes to measure, track and find goods. The daily checks have saved colleagues 20 hours’ each week and a further three hours’ each day that used to be spent on locating cargo. Data is being used to monitor volume trends so we can make better use of capacity. Robots will be landing in our Los Angeles and Melbourne cargo facilities soon.

Hours saved per week by automated inventory

20

Hours saved per day locating cargo

3



World class cargo handling solution

Wipro’s new warehouse management system will enable end-to-end digitalisation of our operations, process standardisation, consistent customer service and enhanced employee experience, which is hugely important in attracting a new generation of cargo professionals. Our teams will be able to utilise an operating system that is more aligned to the look and feel of everyday apps, and our customers will benefit from increased transparency of cargo status, use of automation to speed up processes and improved safety and security procedures. Five cargo locations in Romania, New Zealand and Macau, China will be using the new system by the end of 2023 with plans to roll it out to the rest of the network in 2024.

Paperless flight packs

Working with KCL Solutions, we can now fully digitalise flight packs. Going paperless supports our sustainability targets and enables quick and easy access to historical paperwork. Our operations in London Heathrow, Sydney and Melbourne have successfully implemented this system.

Maximum capacity

Speedcargo’s dimensioning and capacity maximisation technology has been tested at our Sydney operation. It checks cargo weight on arrival for accurate billing and supports colleagues to build pallets that utilise all available space.



STRATEGY IN ACTION

Growing with customers

With 500+ customers globally, we have cultivated strong working relationships at both local and global levels. We are proud to support our customers’ growth journeys as their partner of choice.

STRATEGY IN ACTION:
Strengthening customer partnerships

Strategic link



In 2022, we enhanced our key account management and collaborated on global partnership agreements and strategic projects with our customers. We secured new business and a healthy renewal rate putting us in a strong position to accelerate growth in 2023.

We offer expertise across all aviation services tailored to our customer’s needs and have specialist knowledge and experience in entering new markets.

We added three new countries to our global footprint in 2022 - Serbia, Montenegro and Chile, and have continued the momentum into 2023 through acquisitions in Panama and Jamaica and a joint venture in Malaysia.

“We’re passionate about growing with our customers and collaborating to provide flexible and sustainable solutions that meet their needs. It’s an exciting time for Menzies as we can now provide a greater range of services at more locations. Our offering will continue to be enhanced as we accelerate growth in key markets.”

Lukasz Skorupa, EVP
Commercial

Rapid growth in Latin America

It’s full steam ahead for one of our key growth engines, Latin America, which experienced rapid expansion in 2022. Growing with existing regional and global customers has been central to this accelerated growth. Mexico has gone from strength to strength with 10 new airline customers, including Delta, Frontier and Aeromexico being onboarded in 2022. We started operations in four new airports in Mexico, taking our total number of airports to 31. In Colombia, we partnered with five new customers, including Avianca at Bogota, Medellin, Barranquilla and Cali airports to provide freighter cargo handling. We also entered Chile via an acquisition of Agunsa Aviation Services.

New airline customers
in Mexico

10

Number of airports
in Mexico

31



Qatar Airways

We continue to work closely with Qatar Airways to strengthen our global partnership and grow our businesses together. Our air cargo relationship has grown from eight locations in 2018 to 27 in 2022 with all locations consistently achieving gold or platinum monthly performance scores. In ground services, we secured multiple contract renewals in 2022, including Baghdad, Kuwait, Sydney and Karachi airports, and we won additional business in Australia, Pakistan, Mexico and the UK.

LOT Polish Airlines

We nearly doubled the number of airports where we support LOT Polish Airlines with ground and air cargo services. The new five-year contract covers 11 airports in Europe and North America. The integration of additional locations into our existing partnership with the carrier was seamlessly facilitated by the signing of a General Terms of Agreement (GTA), reflecting the trust and intention to further bolster the relationship. The partnership includes knowledge sharing, developing efficiency improvement initiatives and integration of services support systems.

Number of airports we work
with LOT Polish Airlines

11



STRATEGY IN ACTION

Making Menzies a great place to work

The safety and security of our people is our number one priority. We are a people business and continue to invest in making Menzies a great place to work.

STRATEGY IN ACTION:
Investing in our people

[Strategic link](#)



Our global workforce is as diverse as the 60 countries we operate in. Creating and maintaining an inclusive environment which reflects the diversity of our customers and the communities where we operate is critical to our success.

We are focused on providing industry leading training, best-in-class safety standards and career development opportunities at every level to help people reach their full potential. Our people are at the heart of what we do. Their talent, pride and hard work make Menzies the trusted partner we are today.

“Our people are what makes us unique and investing in their experience at work is key to our success. In 2022, we were proud to further enhance the focus on operational safety, celebrate our colleagues hard work and success through the We are Menzies Awards and continue our journey in making sure Menzies is a place where everyone can thrive.”

Juliet Thomson,
Chief People Officer

MORSE Week

Each year we hold two global safety and security MORSE Weeks to reinvigorate, inspire and influence the behaviours that help create a positive safety culture which ultimately prevents incidents. Our industry-leading safety principles of Menzies, Operating, Responsibly, Safely & Effectively are at the heart of the activities. New in 2022, our Menzies 100 Leadership group, including our Executive Management Board, were out in airport operations taking part in activities. We saw an increase in hazard and near miss reporting on our Swift MORSE reporting tool and more people received instant SMART excellences via our award-winning SMART app.

Hazard and near miss reports 2022

4,166

Training and development

We want everyone at Menzies to unlock their full potential and enjoy coming to work. We provide on-the-job training and career development. In 2022, our employees completed an average of 54 hours of training via our learning management system and we achieved 97% training compliance across the year. Since the launch of our award-winning, in-house Living Leadership programme in 2020, 1,010 senior managers have completed it and more than 70 colleagues participated in our new Women in Leadership programme.

Average learning and development hours for FTE in 2022

54

We Are Menzies Awards

Held for the first time in 2022, we invited colleagues to nominate their peers for a We Are Menzies Award and we received more than 1,200 nominations globally. From administering first aid in an emergency and stopping work in dangerous situations, to supporting colleagues and customers, the wide range of nominations celebrated the commitment of our colleagues who live our values every day. German Martinez Sierra, based in Aguascalientes, Mexico was the winner of the global Safety & Security Award and Employee of the Year for noticing damage in an engine as he was loading baggage. He quickly reported what he saw and passengers were deplaned so investigations could be done to ensure the flight was safe to depart.

Global winners



Safety & Security

German Martinez Sierra, Aguascalientes, Mexico



Agility

Cameron Barratt, Brisbane, Australia



Integrity

Jonathan Spading, Denver, US



Customer Focus

Priscilla Pereira, Winnipeg, US



Teamwork

Angelo Pugliese, Ibiza, Spain



Our Sustainability Report

Welcome to our sustainability report for 2022, which tracks progress against our All In plan for a fair a sustainable future. We set our goals and commitments in our first sustainability strategy in 2021. Since then, it has been embraced throughout our businesses as we accelerate growth sustainably and responsibly, while also creating value for all stakeholders.

As we move forward and our plans mature, our focus is on widening our scope to further embed sustainability practices and set more targets across all services and areas of our business. Constantly challenging ourselves and improving our plans, by setting new targets, adopting new technologies and learnings, and reflecting the changing needs of our stakeholders and new climate targets, will help us deliver genuine impact and change.

On the following pages we will share our progress, targets and plans under each element of our All In plan, and the governance processes we follow.



“Our commitment to our All In sustainability plan and progressing against our goals and targets has never been more important. We will continue to challenge ourselves and be ambitious, aiming to lead the way in providing the most sustainable, safe, and responsible aviation services for all our stakeholders, and work towards our climate commitments. I would like to thank all our colleagues, customers and partners for their contribution, passion and support for our plans, driving towards our targets and in helping us create a sustainable future for aviation.”

John Geddes, Chief Governance & Sustainability Officer



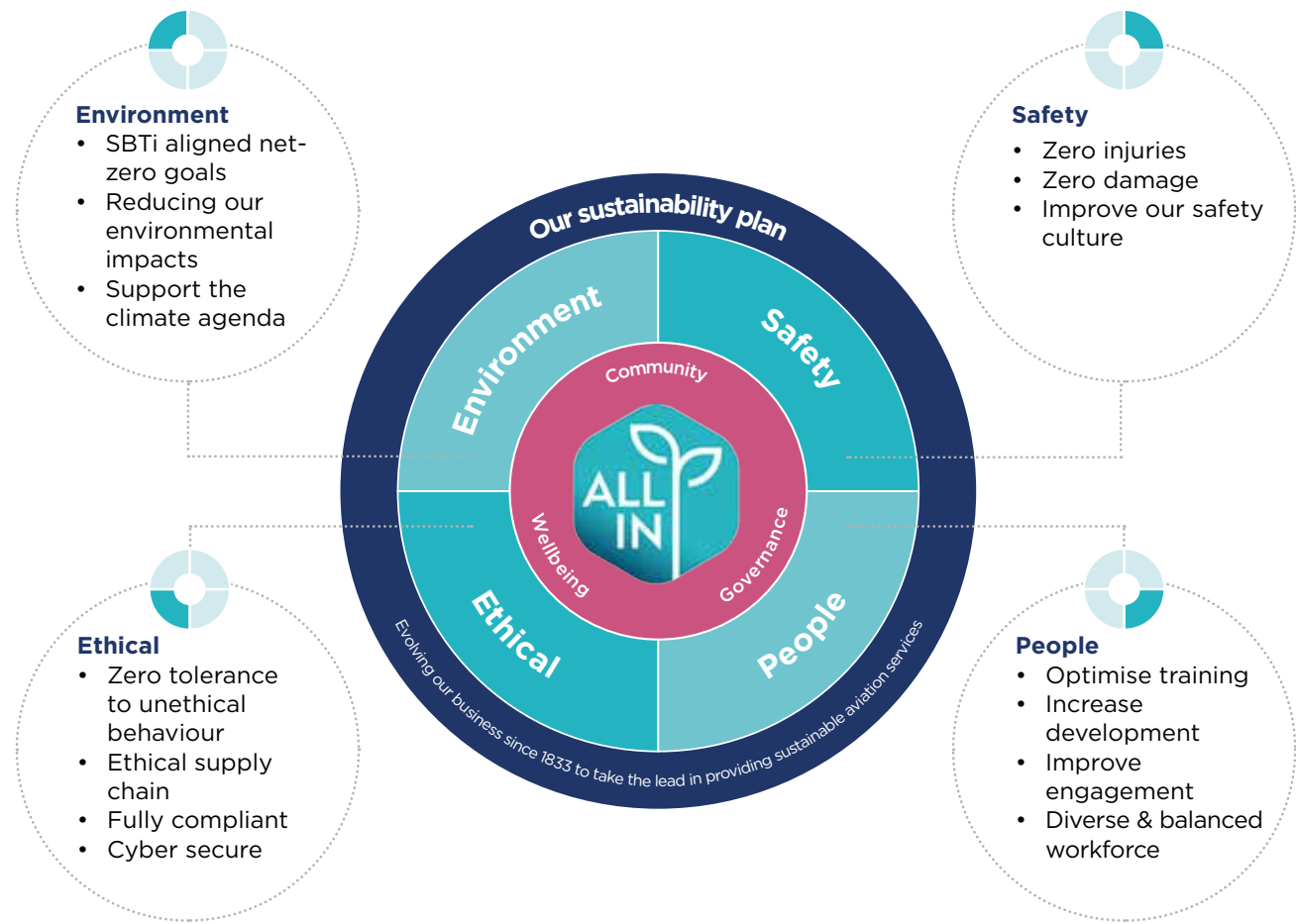
All In

Our material ESG priorities were identified in our 2021 materiality assessment and stakeholder engagement process. To ensure our priorities remain relevant, valid and align with stakeholder expectations, and our All In plan, to deliver positive change and progress, we plan to carry out a materiality refresh and updated stakeholder engagement process towards the end of 2023.

• Ethical business	• Community support
• Legally compliant	• Diversity & inclusion
• Employee engagement	• Effect of climate change on Menzies
• Risk management	• Our environmental impact
• Human rights	• Water usage
• Health & safety	• Waste management



Menzies was awarded a silver medal with EcoVadis in 2022 and we hope to improve on this in 2023.



SUPPORTING THE UN GLOBAL COMPACT AND SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Menzies is proud to be a signatory of the UN Global Compact and our All In plan encapsulates goals and initiatives that directly align with progressing the UN Sustainable Development Goals.

Our focus is on progressing the SDGs that most closely align with our business operations and we provide references to how we are progressing the SDGs throughout this report.

We have participated in two UN Accelerator programmes - **Target Gender Equality** and **Climate Ambition Accelerator** - and we are actively participating in the UN Sustainable Development Goal (SDG) Ambition Accelerator programme focusing on progressing goal 13 Climate Action.

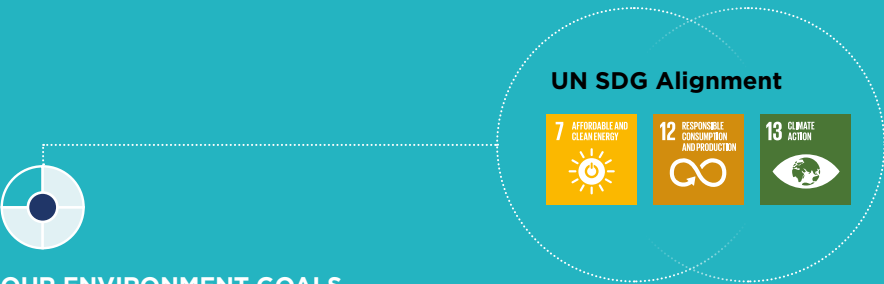
We published our first **UN Communication on Progress** in 2022 providing further information on our commitments and progress to date and will publish our next report mid-2023.

Most recently in 2023, we adopted the United Nations Women's Empowerment Principles (WEPs) as part of our commitment to promoting gender equality and women's empowerment in the workplace, marketplace and community. Our support directly correlates with our existing goals and initiatives to improve our business practices and support mechanisms to better empower women and progress gender equity.



Environment

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



OUR ENVIRONMENT GOALS

Science Based Targets aligned net-zero goals

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

Reducing our environmental impacts

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

Supporting the climate agenda

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

Our emissions

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

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

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

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

Quantification and reporting methodology

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

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



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

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

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

Environment continued

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

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

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

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

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

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

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

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

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

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

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

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

Measures taken to improve energy efficiency

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

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

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

Environment continued

Targets

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

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

A summary of our improved targets follows:

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

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

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

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

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

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

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

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

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

1. The 2022 tonnes of CO₂e includes material operations from National Aviation Services in addition to Menzies Aviation operations for the first time.
2. 2022 shall now be our new baseline reporting year going forward for all reporting and in support of science based targets.
3. FTE figures as at 31st December 2022 were used to calculate the tonnes of CO₂e intensity ratio.
4. We continually improve our data collection and measurement processes, which may from time to time result in adjustments being made to previously stated values. We will always disclose where an adjustment has taken place and the reason/justification.
5. Final 2021 Defra conversion factors applied to 2022 data.
6. 2022 Underlying Energy Use based on scope 1 and 2 data only.
7. Underlying energy use based on total scope 1 and 2. It excludes scope 3 and HVO.

Environment continued



Technology & Data

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

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

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

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

Employee Travel Survey

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

IATA IEnvA for Ground Handling Service Providers

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

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

Buildings, electric batteries and powering electric equipment

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

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

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

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

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

Circularity

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

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

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

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

Waste

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

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

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

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

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

Environment continued

Our Paperless Initiative

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

Water

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

SAF and beyond

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

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

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

2022 Deliverables

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

2023 Priorities

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



Pages printed globally in 2022

28m

Equivalent in trees

2,990

Target to reduce prints in 2023

15%

Trees for Life

CASE STUDY

Rewilding the Scottish Highlands

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

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

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

Safety

The safety and security of our operations and our people is our top priority, reflected in our purpose, our values and our strategy for sustainable growth.

UN SDG Alignment



OUR SAFETY GOALS

Zero injuries

Improve and increase hazards and near miss reporting by introducing frictionless reporting and loss time reporting.

Zero damage

Invest in technology to improve safety such as SmartDrive and immersive 360 degree videos. Engage employees through gamification and continually promote our Golden Rules.

Improve our safety culture

Continue to embed the MORSE code and charter across our network to create a positive safety culture. Focus on mentoring, improving supervision and oversight, and managing risk training.

We aim to have the best safety culture in the industry by delivering the highest health, safety and security risk standards everywhere we operate. We want our people to feel safe in their working environment by providing the training and tools required to do their job safely and securely. We want our customers to trust Menzies to deliver the safest and most reliable services and to know that we are committed to continually evolving and embedding our safety and security practices.

Our Safety Management Systems include our policies, procedures, training and manuals, designed to the highest industry best practices and standards for safety management, occupational health, security, training and quality assurance. We hold certifications in some operational locations for ISO14001 and ISO45001, however, our focus is on aligning with industry certification and standardisation.

We successfully renewed our IATA Safety Audit for Ground Operations (ISAGO) registration, entailing a audit of all central policies, procedures, training and quality management. Our most recent ISAGO HQ audit was successfully completed in Q1 2023 with zero findings.

We also maintained our IATA Ground Handling Partner (GHP) and IATA Strategic Partnerships membership that provides a platform to contribute to the development of solutions that impact safety and damage reduction, while promoting efficiency improvements initiatives as well as strengthen relationships with key industry stakeholders.



CASE STUDY

Managing risk from within

To address insider threat risk within our business policies, processes and controls, we undergo an annual assessment of our Insider Risk Mitigation Framework by the National Protective Security Authority (NPSA), part of the UK's MI5 security service. The assessment is based on the NPSA Personnel Security Maturity Model, focussing on seven core elements of effective personnel security processes:

- Leadership and Governance.
- Insider Risk Assessment.
- Employment Screening.
- Ongoing Personnel Security.
- Monitoring and Assessment of Employees.
- Investigation and Disciplinary Practices (Response).
- Security Culture and Behaviour Change.

Safety continued

In 2022, we began the roll out of all safety and security standards and processes to our former NAS locations, starting with Abidjan on the Ivory Coast, as part of the integration of our business and operations. The NAS teams embraced the new ways of working and standards. We look forward to further integrating and embedding our safety and assurance processes within all new operations providing the highest standards consistently across all new global operations.

We shared new wellbeing learning modules, hints, tips and internal online wellbeing resources for World Wellbeing Week.

Our European de-icing leads held a two-day workshop in Bucharest, Romania where the team covered safety and quality topics including amendments and updates to the Ground De-icing /Anti-icing Manual (GDAM) following SAE International Global De-icing Standard changes. New innovations and technology in the industry were also reviewed including new de-icing rig technology, fluid efficiencies and recycling.

Safety Culture

Our M.O.R.S.E. (Menzies Operating Responsibly, Safely and Effectively) Code and Charter, along with our Golden Rules, encapsulates our safety culture and how we embed it in everything we do, that sets us apart from competitors. The M.O.R.S.E. code sets the way we work every-day, ensuring our airline customers and the traveling public can trust every journey they take. It is embedded throughout our business, from our induction programmes, initial and refresher training, safety, security and environmental promotions, incorporated onto uniforms, and features regularly in our internal communications.

Our teams hold monthly M.O.R.S.E. forums to track progress, highlight key operational risks and emerging trends, review incidents and learnings, and identify improvement opportunities to reduce accidents and incidents.

In our recent employee engagement survey, 80% of responses to every safety question were positive, demonstrating not only our employees' commitment to safety, but also our ability as an employer to drive a culture of safety.

Our popular M.O.R.S.E. events held each year across our global operations, shine a light on the commitment to safety and security that our teams embody every day and recognise their achievements.

Quality and Assurance

We measure quality assurance and safety success through KPIs and internal audits.

- Menzies '8 Pillar' programme prescribes the minimum standards that are expected throughout our operations, against which we measure each station location.
- Our '5 Star' Programme allows us to audit on what matters most and drives improved compliance behaviour.

Both programmes provide the necessary oversight and assurance that operational risks are adequately managed, and continuous improvement is achieved.

In 2022, our operations were also subject to 1,058 external audits, an increase from 828 external audits in 2021.

External audits
in 2022

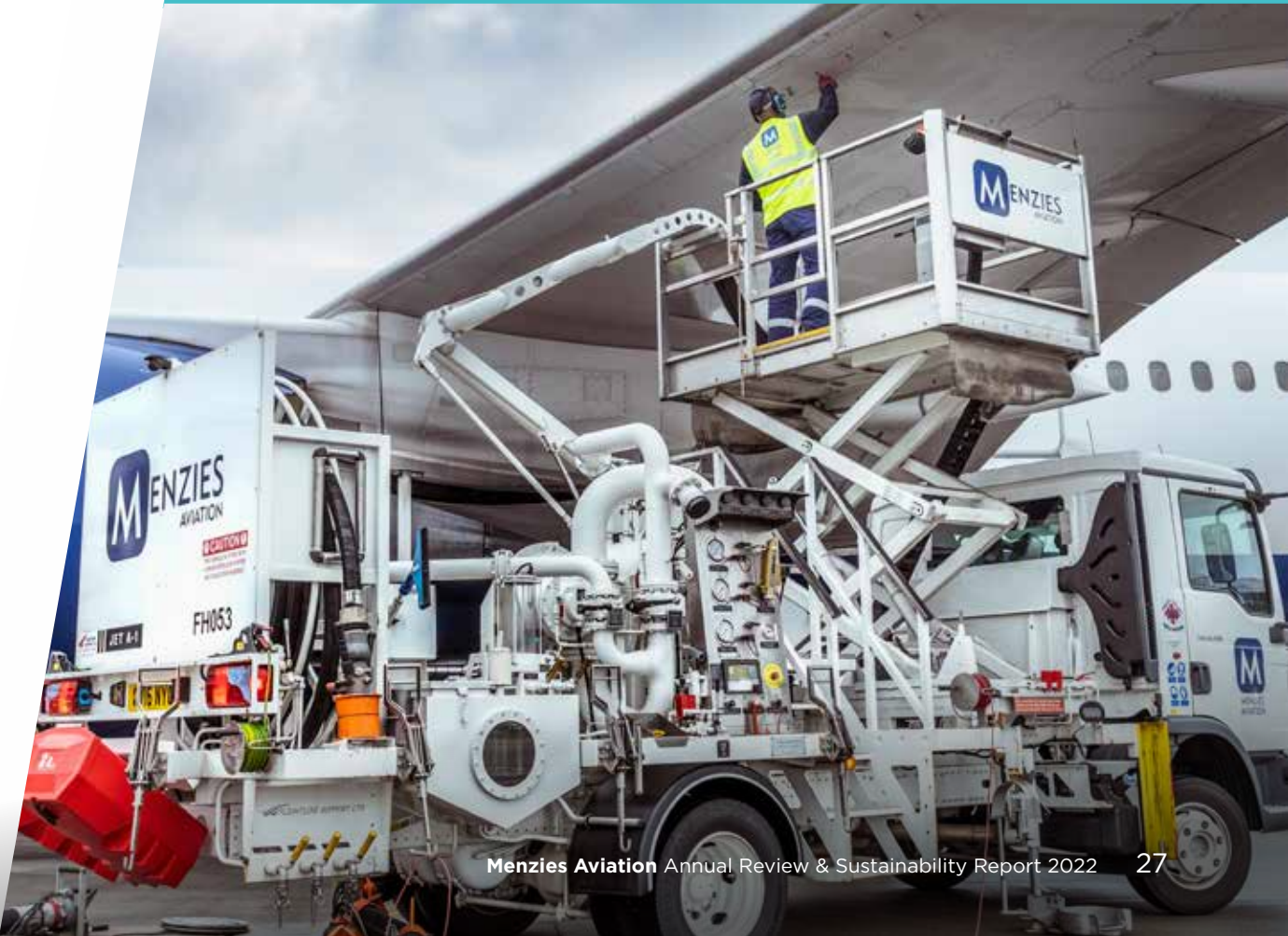
1,058

Operational training
compliance

97%

Employee Personal Injury Rate
(per 100 FTEs)

0.096



Safety continued

Strategy

We have a 3 x D strategy to help drive continual improvement.

- Diagnose areas that can be improved;
- Design to simplify, motivate and give people the ability to succeed; and
- Deliver in collaboration with stakeholders.

This strategy has contributed to the implementation of innovative tools such as:

1. The SMART app, an award-winning technology, enables quick inspection of tasks tailored to aircraft type and customer requirements, and allows us to recognise when people go above and beyond.
2. The SmartDrive program, which includes AI cameras and encourages responsible driving.
3. Gamification, a form of micro-learning, which enables higher recall for important safety messages in a fun and engaging way.
4. Frictionless reporting allows anyone to report a hazard swiftly on any mobile device and feedback is provided on their report.
5. We have also implemented our Tow Team Warning System with a connected wing walker to pushback driver alert systems to improve pushback safety.

2023 Priorities:

A key area of focus will be to simplify and automate KPIs to create transparency and improved insights for our managers. Examples include:

- Benchmarking Personal Injuries and Aircraft Ground Damage using incidents rates, enabling our managers to rank their performance against regional and global rates and provide their existing and prospective customers with real-time performance.
- Real-time Training Dashboard, enabling managers to better plan training resources and ensure optimum levels of skilled labour to meet growth demands now and into the future, giving our customers confidence and ensuring quality of service.
- Improving analysis and correlation of leading and lagging indicators to give early warning notifications and help managers stay on track, and provide a safe a secure service.
- Link incidents in M.O.R.S.E. with our Enterprise Risk Management system to always show the current more dynamic Operational Risk Register, assisting management teams to focus on areas that matter most.
- Reviewing and testing our Crisis Management Centre processes and tools.



People

Our people are at the heart of our business and our success. We are committed to creating a diverse and inclusive culture where our employees can thrive. We want them to experience equity of opportunity, to feel respected and supported to learn and develop, and to be able to be themselves. Like many companies and societies, we can always do better but we are committed to improving our policies, practices and employee experiences that will benefit all our people, our business, and support our future success and sustainable growth.

We celebrate the great work and commitment of our employees with long term service awards as well as our annual We Are Menzies Awards. Read more on page 18.

Equity for All

Our executive led Equity Inclusion and Belonging (EIB) working group was created to encourage conversation and participation from employees at all levels to understand what issues in this area are most important to employees, and to help identify changes and initiatives we can implement to progress positive change for all. The group applies an equity and inclusion lens to two main focus areas that correlate to our business risks and strategy for sustainable growth:

- Talent attraction and recruitment
- Retention and development

A survey of EIB group participants further identified the following topics for Menzies to consider when developing our plans under the two focus areas above:

- Gender
- Family friendliness
- Disability
- Race

We have since expanded our priorities to include engaging young people and supporting refugees.

In 2022, we were delighted to welcome a guest speaker to our EIB group from Deloitte, sharing their experience and learnings as a diversity and inclusion champion. We look forward to learning from and sharing with more partners and peers, to advance our own equity, diversity and inclusion journey.

Our Code of Conduct and our suite of People policies cover many areas of human rights, employee rights and more. Our Equality Diversity & Inclusion Policy sets out our commitments and expectations and the accompanying online training is mandatory for all employees globally. We have also launched allyship and unconscious bias training.



OUR PEOPLE GOALS

Optimise training

Focus on the safety and wellness of our people.

Increase development

Retain talent and develop our people at all levels with a focus on our leadership.

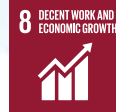
Improve engagement

Enhance the way we communicate with our people, especially frontline colleagues.

Diverse & balanced workforce

Support our diversity forums to inform positive change across the business.

UN SDG Alignment



CASE STUDY

Allyship In Menzies

With 73% of our workforce being men, our allyship campaign aims to inspire and empower colleagues to show up as allies at work and drive positive change through supporting women and other under-represented minorities. Our campaign will continue throughout 2023 to help make Menzies a more inclusive, diverse and equitable organisation which will benefit everyone. We have started by educating colleagues on what allyship means and helping them understand what they can do to empower and support colleagues every day.

People continued

We started tracking diversity metrics to enhance our recruitment and talent management processes and we are setting new targets beyond gender to be able to better track and measure our progress on our other priorities and inclusivity more generally.

Gender Equity

Following our participation in the UN Target Gender Equality accelerator programme in 2022, we recently became a signatory of the **UN Women’s Empowerment Principles**, further demonstrating our commitment to advancing gender equity and inclusivity and the UN Sustainable Development Goals within our operations and by extension, in the wider societies of the geographies we operate.

Our **Women in Leadership** programme was launched in Q4 2021, with over 70 participants having completed the programme so far and more cohorts planned.

Supporting refugees

We were pleased to become a member of Tent in December 2022. Tent connects businesses with government agencies and organisations who work with people that have refugee status. With the support of Tent, we are setting up recruitment programmes and partnerships in Europe, UK, the US and Canada to recruit and support refugees into our business. We look forward to sharing our first targets with Tent in June.

During 2022, we successfully onboarded around 20 Ukrainian workers within our European operations who were displaced due to the conflict in Ukraine, providing them with additional support including local language training, to help them integrate into local communities and the workplace. Read more on page 35.

Supporting our veterans

We are proud to employ a large number of veterans across our global operations, with over 1,000 in Europe and well over 4,000 in our Americas region. As well as supporting the recruitment of ex-forces employees, we also support those who are active in a reserve capacity.

In recognition of our continued support of veterans we were delighted to be presented with our silver award under the Armed Forces Employer Recognition Scheme, one of the highest accolades for supporting the defence community in the United Kingdom. We look forward to continuing our journey towards achieving the gold standard.



Inspiring the next generation

Each year, we provide a number of internship and apprenticeship opportunities for young people across our business in a variety of roles and areas of expertise. As well as attracting new talent, we hope to inspire a new generation of aviation professionals. We are doing this through new partnerships with universities and we have great plans to expand our youth engagement in 2023.

“On behalf of Menzies Aviation, I am proud to officially show our commitment to advocating and progressing gender equality by signing the UN Women’s Empowerment Principles. We operate in a historically male dominated industry but I believe by empowering women and creating equity through opportunity, recognition and allyship, we can play our part in advancing positive societal change and creating a thriving and inclusive workplace where everyone can reach their full potential.”

Philipp Joeinig, CEO

Plans for 2023:

- Launch our equity, diversity and inclusion pulse survey for our senior leadership population with the aim of expanding this to a wider employee population later in 2023.
- Unconscious bias training will be mandatory for anyone involved in recruitment or promotion decisions within Menzies.
- Alumni from our Women in Leadership programme will be offered enhanced development training, to support the acceleration of their careers.
- Continue to develop our allyship campaign.
- Set new measures and goals globally and locally beyond gender.
- Develop recruitment, support mechanisms and partnerships for our refugee onboarding programme.
- Develop our aviation youth education and awareness campaign and community engagement.
- Develop and evolve our people and family friendly policies.
- Develop our Fair Labour programme by reviewing and enhancing policies and practices for our own employees and for within our supply chains.
- Develop the Menzies’ approach to the signature traits of inclusive leadership and weave into our Living Leadership programme from late 2023.
- Global employee engagement survey undertaken in Q1 2023.



People continued

Respect for Human Rights

As a signatory of the UN Global Compact, we fully support the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

We take a zero-tolerance approach to breaches of human rights and all forms of modern slavery and human trafficking, and respect the right to freedom of association and fair work and wages for our employees.

Our suppliers are expected to adhere to Menzies Third Party Code of Conduct and we incorporate contractual provisions relating to this, as well as specific clauses relating to modern slavery and other ethical conduct and legislation, such as anti-bribery.

No instances of modern slavery were identified in our own operations or supply chain during 2022.

We publish an annual statement outlining Menzies' response and steps taken to address modern slavery and human trafficking risks and ensuring that any form of slavery including forced labour bonded labour, child labour, and human trafficking do not occur anywhere in our global operations, or our supply chain. Our latest annual Anti-Slavery and Human Trafficking Statement is available on our website at menziesaviation.com/anti-slavery-statement

Our statement is published in both UK and Australian modern slavery statement registers, in compliance with the UK Modern Slavery Act 2015 and Australian Modern Slavery Act (Commonwealth).

In 2023, we are reviewing our Fair Labour Programme and modern slavery and human rights risks. This will include updating our existing Code of Conduct, Anti-Slavery and Anti-Human Trafficking Policy, and Fair Labour policies, training and tracking of measures and internal audits, to be completed in 2023. Alongside this, our new third party risk management system enables us to undertake more robust and auditable risks assessment of all our supplier population, and to undertake appropriate supplier due diligence assessing their approach to human rights, labour rights and modern slavery policies and controls. With this information, we can ensure the suppliers we work with are adhering to the standards we expect from them, aligned with our Third Party Code of Conduct.



Aligned with the International Air Transport Association's 25 by 2025 industry-wide campaign aimed at shifting key diversity and inclusion metrics across the aviation industry by 25%, or up to a minimum of 25% by 2025, we have committed to:

- Increase the proportion of females in our senior leadership population to at least 25% by 2025.
- Increase the proportion of females in our middle leadership population to at least 40% by 2033.

Females in our global population
27%

Females in our middle leadership
31%

Females in our senior leadership
19%

Females on our Executive Management team and Board
20%

Ethics

Ensuring we conduct ourselves and our business activities ethically at all times, keeps our business safe, our people safe and helps us play our part in supporting a fair and just society and creating an ethical culture. As such, Ethics is a core pillar of our All In plan.

Our approach to ethical conduct is underpinned by our values, behaviours and the policies, training, controls and governance we abide by throughout our global operations. Menzies ethical approach is being adopted by National Aviation Services (NAS) as a key part of the business integration.



OUR ETHICAL GOALS

Anti-bribery and corruption

Zero tolerance for all forms of bribery and corruption within our business and supply chains.

Fully compliant

Operating in full compliance with applicable legislation, ensuring strong ethical and governance practices are up to date, relevant and adhered to.

Cyber security

Ensuring continuous improvement of the confidentiality, integrity and availability of Menzies systems, data and services.

Ethical supply chain

Ensuring sustainable and ethical supply chains and partnerships everywhere we operate.



Speak Up

Our confidential and independent Speak Up hotline enables employees and third parties to report any instances of unethical conduct via phone or online, in their local language, and without fear of reprisal. All reports are treated seriously, confidentially and investigated appropriately in line with published procedures and service levels. We can communicate confidentially with reporters via the SpeakUp platform without compromising anonymity where this should be preserved. All reporters are also provided with a recorded outcome and resolution to their report.

Cyber Security

The potential risk from 'Cyber' continues to grow. As part of a critical supply chain, depended upon by our customers and the wider public, we take this seriously ensuring we have appropriate controls in place. A risk-based approach is followed to understand the continually changing threats and vulnerabilities that could impact what we do. This drives the continual investment in our cyber

security programme with the key aims of, keeping the information we are trusted with secure and our business processes robust. Our formal cyber programme follows a best practice framework designed to mitigate the risks to an appropriate level.

During 2022 we improved the training, awareness and cyber reporting for our employees, rolled out new technologies to improve the management of vulnerabilities and to proactively detect malicious activity in our IT environment. This approach to managing the business risk from cyber will drive the continuous improvement of our cyber security risk posture.

Tax Strategy

As a good corporate citizen, Menzies is committed to being a responsible and transparent tax payer, paying the right amount of tax in accordance with the laws and regulations of the countries in which we operate.

Ethics continued



TRACE is a non-profit business association dedicated to anti-bribery, compliance and good governance. TRACE helps multinational companies conduct business ethically and in compliance with the U.S. Foreign Corrupt Practices Act, UK Bribery Act and other similar anti-bribery legislation.

www.traceinternational.org

We monitor and investigate any and all reports or suggestions of corruption within our operations. We took action on one localised report of unethical business practices in 2022.

Zero tolerance bribery and corruption

We have been a member of TRACE for many years, supporting our zero-tolerance approach to bribery and corruption. We use TRACE best practices, training courses and risk matrix data to support our own internal processes, including providing regular specialist training on bribery, corruption, fraud and conflicts of interest for higher risk employee groups and senior employees, including those at executive level.

Due diligence & Business Partner Engagement

With support from Deloitte, we implemented a new Third Party Risk Management system that utilises third party database information as well as data provided directly from our supplier population. Our new system, procedures and policies, including an updated Third Party Risk Management policy, are being rolled out globally. The initial focus is on our global supplier population and enables us to better engage with our suppliers, undertake auditable risk

assessments and due diligence across ESG criteria, and will support our scope 3 emissions analysis and progress towards achieving new science based emissions reduction targets.

We already build contractual provisions for ethical and compliance topics such as modern slavery and anti-bribery and anti-corruption into our contractual arrangements, along with our Third Party Code of Conduct, but our new system and procedures significantly enhance our supplier due diligence and onboarding processes and will help progress a number or priority goals and metrics in our All In plan.

We also have a robust due diligence process for onboarding new joint venture partners and engage external expertise to undertake due diligence on our behalf, where required.

Our new Third Party Risk Management system will support onboarding all types of third party business partners in future.

Policies, training and communication

Our Code of Conduct lays the foundation for all full suite of ethics and compliance-related policies. We regular review our policies and aim to make them understandable and accessible, translating them into multiple languages aligned to the geographies we operate in.

We communicate policies, learning, guidance and regular updates for every area of our ethics wheel, as well as our wider All In plan.

The level and method of learning varies by role and reaches every level of our business including our executive teams, on topics including but not limited to, Code of Conduct, anti-bribery and anti-corruption, modern slavery and human trafficking, conflicts of interest, cyber security, data protection and privacy. Our Code of Conduct learning is undertaken by every new employee globally and all existing employees on a regular basis, and provides a basic awareness of all the topics, as well as other



areas covered in our All In plan such as safety and environment. More detailed training also exists for these topics.

We communicate in a number of ways including e-learning, 'face to face' training, newsletters and alert updates, through Microsoft Teams, posters, and more. We always look to improve engagement, check awareness and communication, and ensure clear messages come from our executive and senior leadership teams, setting the tone and leading by example.

2022 deliverables

- Rolled out Speak Up to all NAS locations.
- Completed an independent evaluation of our global sanctions programme.
- New cyber training rolled out.
- New Third Party Risk Management system and ESG due diligence.
- Review of our fair labour and modern slavery programme.

2023 priorities

- Adopt recommendations to further improve our global sanctions programme.
- Roll out improvements and measures for our fair labour and modern slavery programme and new KPIs.
- Fully embed our Third Party Risk Management system for suppliers and expand scope to other business.
- Renew and our Code of Conduct learning and communications partners.

CASE STUDY

Developing an ethical culture

By making compliance part of our everyday conversations and working practices in a real way, we aim to increase awareness, understanding and practical application at all levels. Our Code of Conduct and training gives every employee knowledge of how to navigate difficult situations, associated legal and ethical implications, and guidance on making the right decisions. Our specialised policies, processes and training further support employees whose roles expose them to greater risk areas, for example, bribery, corruption, fraud, fair labour, data protection and more. At the highest level, our ethical approach is shaped by the strong example set by our most senior leaders, and the expectations they have for our business, employees and partnerships. All of these actions have helped to develop our ethical culture, and its importance is acknowledged by the inclusion of the Ethical pillar in our All In plan, our third party commitments, and partnerships.

We gauge and measure this through:

- Employee engagement and requests for guidance received from across our global business
- Queries received via SpeakUp and improvements we identify
- Training compliance
- Due diligence
- Internal and external audits

100%

of suppliers assessed for modern slavery risk in 2023

Supporting our communities

Supporting the communities where we operate and where our people live in many parts of the world is important to us. It is a key part of our All In plan for a fair and sustainable future where we strive to make a difference by supporting causes that have a positive impact on communities, big and small. Through this support we hope to benefit local economies, reduce climate impacts, improve education, health and wellbeing, and reduce inequalities. We don't donate money to political campaigns or causes.



Contributions to communities, charities and local fundraising activities in 2022

US\$ 217k

Finance delivered to low-carbon sustainable development projects

£116k



Menzies contributed over USD 360k in 2022 towards community projects, charities and supporting local fundraising by our teams. This consisted of over USD 217k in donations and contributions and further GBP 116k delivering finance to low-carbon sustainable development projects.

We're excited about developing existing and new partnerships in 2023 and already pleased to have been supporting our teams into 2023 with their own fundraising!

Donations & Partnerships

Through our **JMM Community Fund**, we encourage our employees to request donations towards their own charitable fundraising or local community groups that matter to them. This enables us to support a wide spectrum of charities and community groups around the globe.

Building Communities in Pakistan



In response to the devastating flooding that impacted millions of people, Menzies Aviation and SPARS Group, shareholders of Menzies Aviation's joint venture in Pakistan, Menzies-RAS, partnered to build 100 homes in Pakistan. The 100-home 'Prime Minister Shehbaz Sharif Flood Relief Village' has been built in the Tank district of the Khyber Pakhtunkhwa (KP) province.

A school and medical clinic have also been built within the village, and a solar plant capable of powering the entire village and a tube-well for water has also been installed. Nine thousand saplings of local indigenous trees were planted around the construction site to complete the village.

Continued Valued Partnerships

We donated money to a number of charities and partners across the globe and continued existing partnerships. We have a selected a few to highlight as follows:

We continued our corporate partnership with **Trees for Life** in the UK, and are excited to expand our support with Trees for Life in 2023.

We supported **Social Bite's** Festival of Kindness for a second year, including corporate sponsorship of their Giving Tree in Edinburgh, UK and through volunteering. The campaign supports homeless people and those in poverty with food and basic supplies during the festive period and throughout winter, as well as helping to provide accommodation for those in need. With support of our parent company, Agility, we also donated funding towards their **Jobs First** Internal Training programme. This supports people with a background in homelessness, offering a shorter-term intervention to begin their journey back to employment.

In Tanzania, we provided additional funding for three projects with **Born to Learn** including: a new music classroom, equipment and instruments; additional computer and multimedia equipment, wi-fi installation and subscription; and new bathroom facilities suitable for younger children.

In Cote d'Ivoire, we provided funding towards the rebuild and refurbishment of classrooms in **l'Ecole Primaire Publique** school. This will provide the students with a healthier and more comfortable environment that will better support their learning.

In St Maarten, **Player Development SXM** provides children with a safe environment where they can have fun, learn basic life lessons, and receive educational support. We donated supermarket vouchers and clothing vouchers for 11 families currently using the centre who require additional financial support.



Supporting our communities continued

Supporting Refugees

With more and more refugees being forcibly displaced for longer periods of time. We understand some of the barriers people face entering the workforce and believe that as a global employer we have a role to play in helping refugees and displaced people integrate economically in their new host communities.

Menzies Aviation became a member of The Tent Partnership for Refugees in December 2022. Tent connects businesses with government agencies and organisations who work with people that have refugee status. With the support of Tent and these organisations, we are at the early stages of developing our first targets and in setting up recruitment programmes and partnerships in Europe and the US to recruit and support refugees into our business.

During 2022 we provided assistance to Ukrainian refugees including employing around 20 refugees at operations in Prague and London.

- Built a dedicated website with our recruitment system partners eArcu to advertise jobs for Ukrainian refugees seeking employment.
- Contacted all Ukrainian airports and ground handling companies with the offer of jobs for their employees within our network.
- Funded local language courses for refugees who joined Menzies.
- Helped new employees and their families find accommodation.

Low-Carbon Sustainable Development Projects

We continued our partnership with Climate Impact Partners in 2022, by delivering finance to support low-carbon sustainable development projects. The projects we support are located in geographies we operate in, engaging local communities who are instrumental to the running of each project.

This also means that these communities benefit from the positive social impacts the projects deliver, such as job creation, improved livelihoods, water quality improvements, access to affordable and reliable energy, and improved infrastructure.

Benefitting local communities and supporting them in their own transition to low-carbon societies is our main aim, but through our support we were able to compensate for 15,021 tonnes of our 2022 global CO₂ emissions. Our approach will always be to focus on reducing our own operational emissions wherever possible.

Climate Impact Partners is an award-winning project developer with regular due diligence activities guided by their expertise - ensuring they only work with projects that maintain high standards on the ground.



TENT



A merger of ClimateCare & Natural Capital Partners

The projects we supported include:

USA: Albany Water



Located in New York state, the Albany Water Forestland provides an important buffer for the water supply, naturally regulating run-off and filtering groundwater that flows into the reservoirs and their tributaries. The lands have outstanding habitat features, including wetlands, large blocks of unfragmented forest habitat, open water, vernal pools, and successional forest.

- **SDG13 Climate Action:** The project delivers emissions reductions by maintaining forest carbon stocks above the short-rotation clearcutting typical in this locality.
- **SDG6 Clean Water and Sanitation:** The project permanently protects a total of 6,400 acres of land and water, which supplies residents and businesses with 6.6 billion gallons of water annually.
- **SDG 15 Life on Land:** The Alcove Reservoir was one of the early sites for the reintroduction of bald eagles in New York, and there are a number of active nest sites on the properties. The reservoirs also provide outstanding habitat for migrating waterfowl.
- **SDG 14 Life Below Water:** The protected area provides important headwater stream habitat for fish, amphibians and other aquatic species.



Ghana: Community Reforestation



The project is restoring degraded forest reserves in Ghana with teak, indigenous trees and natural forest in riparian buffer zones, following the principles and criteria of the Forest Stewardship Council (FSC). The project works closely with local farmers some of who are employed by the project and others are able to grow crops, via intercropping, within the reforested area, benefitting from the improved soil conditions. As a grouped project, the aim is to expand around 1,000 hectares per year, adding new project areas and improving more livelihoods through reforestation.

The SDG contributions have been indicatively measured, but need to be confirmed:

- **SDG 13 Climate Action:** Delivering emissions removals.
- **SDG 2 Zero Hunger:** Implements resilient agricultural practices that increase productivity, help maintain ecosystems, strengthen adaptation to climate change, and progressively improve land and soil quality.
- **SDG 5 Gender Equality:** 40% of jobs created to be filled by women and 25% of the available areas for intercropping to be allocated to female farmers.
- **SDG 6 Clean Water and Sanitation:** Tree planting, particularly in the land near waterways, contributes to the improvement of the water catchment areas by improving the supply, consistency and quality of the water available. Additionally, sanitary infrastructure and boreholes have been installed in the local village of Kotaa.
- **SDG 8 Decent Work and Economic Growth:** Over 1,000 jobs have been created, and more than 6,000 hectares of project land is available to local farmers for intercropping.
- **SDG 10 Reduced Inequalities:** Facilitate equitable access, benefit sharing from and security to land, forest and mineral resources.
- **SDG 11 Sustainable Cities and Communities:** Promote public awareness and local communities' participation in sustainable forest, wildlife and land use management.
- **SDG 15 Life on Land:** Decreases Ghana's proportion of degraded land and increases rates of sustainable forest management.

Supporting our communities continued

India: Orb Household Solar



Demand for electricity outstrips supply, causing regular blackouts for those connected to the grid. In rural areas, kerosene or other fossil fuels are used for energy and lighting, polluting the air inside homes. This project has brought over 160,000 reliable solar power and solar water heating systems to customers throughout the country, while cutting around 55,000 tonnes of CO₂e a year by replacing the use of kerosene or electricity from a grid reliant on fossil fuels.

Solar power and solar water systems supplied

160k



The SDG contributions have been indicatively measured, and need to be confirmed:

- **SDG 13 Climate Action:** Delivering emissions reductions.
- **SDG 2 No Poverty:** The technology helps households and small businesses cut their electricity bills by up to 50%.
- **SDG 3 Good Health and Well-being:** The project reduces indoor air pollution by replacing kerosene lamps or other fossil fuels previously used to light homes.
- **SDG 4 Quality Education:** Providing reliable light after sunset increases reading and learning.
- **SDG 7 Affordable and Clean Energy:** Orb's network across India is expanding energy access to rural areas and reducing the cost of electricity for their customers.
- **SDG 8 Decent Work and Economic Growth:** Training and skilled job opportunities are created to sell, distribute and maintain the solar panels.



Guatemala: Water Filtration and Clean Cookstoves



Water-borne disease has been identified as a national priority in Guatemala given the high incidence of diarrhoeal disease and chronic malnutrition. This project, which was the first Gold Standard water treatment or cookstove project in the country, distributes water filters and stoves that enable access to clean water and improve cooking conditions by increasing fuel efficiency and reducing harmful indoor air pollution.

- SDG13 Climate Action.
- SDG 3 Good Health and Well-being.
- SDG 1 No Poverty.
- SDF 7 Affordable and Clean Energy.
- SDG 6 Clean Water and Sanitation.
- SDG 15 Life on Land.
- SDG 5 Gender Equality.
- SDG 8 Decent Work and Economic Growth.
- SDG 12 Responsible Consumption and Production.

See the video here: [youtube.com/watch?v=6OhKOO3B784](https://www.youtube.com/watch?v=6OhKOO3B784)



Governance

At Menzies we believe that our strong internal governance practices together with compliance of ESG reporting frameworks and regulation are beneficial for our company and our stakeholder communities, and should be embraced.

Through good governance, we can embed sustainable development principles throughout our strategy and decision-making, develop structured sustainability plans, hold ourselves to account and be clear, consistent and transparent in communicating progress against the commitments and high standards we set as a company, and in our stakeholder relationships.



Sustainability Report Scope & Reporting Frameworks

Our sustainability report for 2022 includes supporting data and progress against our All In plan and goals, covering the period from 1st January 2022 to 31st December 2022. It also includes selected information and updates on plans and initial progress made in 2023, which will be covered more fully in our 2023 Sustainability Report.

Our Sustainability Report is supported with additional detail from the documents listed below, which are available on our corporate website, along with other information updated and communicated from time to time on our corporate website, and other related websites and government databases.

- Annual Modern Slavery Statement (next report due June 2023): menziesaviation.com/anti-slavery-statement
- United Nations (UN): Communication on Progress (next report due June 2023): menziesaviation.com/wp-content/uploads/2022/09/JM-Ltd-UN-CoP-31.08.2022.pdf

Menzies is a signatory of the United Nations Global Compact and we reference the UN Sustainable Development Goals (SDGs) throughout this report. Our sustainability report also supports our annual UN Communication Progress updates, as well as other rating responses e.g. EcoVadis.

Our disclosure response to the Task Force on Climate-related Financial Disclosures can be found on pages 40-43 of this Sustainability Report.

Details of our GHG reporting and methodology, and compliance with related reporting requirements can be found within the Environment section of this Sustainability Report on pages 21-23.

We engaged TCFD and climate specialists, ESG360° Risk Management Limited (ESG360°) to provide support on reviewing climate risk scenarios for 2022 and to provide independent assurance of our 2022 GHG emissions for scope 1 and 2. ESG360° have also supported on our scope 3 emissions analysis and preparation of our targets for submission to the Science Based Targets Initiative in 2023. Following approval of our science based targets in 2023, we will publish details of those on our website and incorporate details within our future reports.

Our reporting will further evolve as we align and comply with future developments of the International Sustainability Standards Board (ISSB) and other UK and EU regulatory initiatives that will impact us going forward.

Accountability

Our Board and Committees are accountable for setting Menzies overall strategy and direction of the business, while our Executive Management Board are accountable for day-to-day development and management of the business, delivery of our strategy and management of risks. Accountability for sustainability is borne by every level of the organisation from the Board down, while the Chief Governance and Sustainability Officer has oversight and responsibility for our All In plan. While we have processes and reporting focused on ESG and sustainability, our overall governance framework has evolved to include a sustainability lens throughout. Read about our Board on page 38, our risk framework on page 39 and within our TCFD report on pages 40-43.

Our Board of Directors

Our Board of Directors sets and ensures implementation of Menzies long term strategy, builds community relationships, and provides the governance framework. The Board has oversight of our approach to sustainability and All In plan, with particular responsibility residing with our Chairman, Hassan El-Houray and CEO, Philipp Joeinig.

Significant changes were made to our Board of Directors in August 2022, following the acquisition of Menzies by Agility and subsequent de-listing of John Menzies plc from the London Stock Market, taking Menzies from being a FTSE listed company to being wholly privately owned. Further details relating the acquisition, Board changes and de-listing process can be found on our website.

Composition of the Board



Male
Female

Female representation

20%



Hassan El-Houray
Chairman



Philipp Joeinig
Board Member



Ehab Aziz
Board Member



Dr. Cheryl Martin
Independent Non-Executive Board Member



Thomas Plenborg
Independent Non-Executive Board Member

Our Executive Management Board

Our Executive Management Board (EMB) reports to our Board of Directors and is responsible for operational and business performance with a focus on embedding a customer centric focus throughout the business and making us the provider of choice for our customers.

Our strong leadership team sets a clear direction, and positions our business to deliver our strategy and grow sustainably. The EMB ensures our decision-making and approvals processes apply an ESG lens and align with our sustainability goals. While sustainability is the responsibility of every EMB member, with direct ownership for development and delivery of our All In plan residing with John Geddes, Chief Governance & Sustainability Officer. The EMB also sets the tone and performance goals for our senior leadership, incorporating ESG targets and initiatives into those helping embed our plans throughout our business.

Note: Mervyn Walker will be retiring from his permanent role on the EMB in 2023, continuing to provide his immense expertise and experience to Menzies on a part-time basis into 2024.

On a day-to-day basis, our All In plan and sustainability strategy are developed, communicated and implemented across globally by our Head

of Sustainability & Corporate Responsibility, with support from central business functions and operational teams throughout our business.

ESG Committee

Our ESG Committee was paused in 2022 while the sale of Menzies to Agility took place, along with Board structure changes. While this took place, our EMB continued their support and championing of our All In plan and wider sustainability agenda. Our ESG Committee will become functional in 2023, with representation from our senior leaders. It will be chaired by the Chief Governance & Sustainability Officer with support from the Head of Sustainability & Corporate Responsibility. The committee will be strategically focused and help shape new initiatives and champion our All In plan. They will also have responsibility for identifying, assessing and managing external and emerging top-down climate risks and opportunities as part of our wider risk framework.

Composition of the Board



Male
Female

Female representation

20%



Philipp Joeinig
Chief Executive Officer



Alvaro Gomez-Reino
Chief Financial Officer



John Geddes
Chief Governance & Sustainability Officer & Company Secretary



Mervyn Walker
Chief Operating Officer



Juliet Thomson
Chief People Officer

Our approach to Risk

Menzies Enterprise Risk Management (ERM) framework was updated in Q1 2022 to evolve our ERM capabilities and processes to take a more proactive approach to risk and drive value through accountability, governance and oversight, and strategic integration. A number of improvements were made at that time and further planned improvements were implemented in 2022, including the implementation of our new ERM system.

Our Risk Committee undertook a thorough assessment of all top-down and emerging risks at the end of 2022, which are now actively tracked and managed in our Enterprise Risk Management (ERM) system, including our climate-related risks. Following this, our principal risks were identified and presented to the Audit & Risk Committee, and ratified by them. Our risk framework and governance structure is shown in the diagram on the right.

We will continue to test and improve our risk framework including management, controls and oversight, to ensure we remain resilient, grow responsibly and protect our business and stakeholders at all times.

Risk Committee

Our Risk Committee was formed in 2021 and provides enterprise-wide governance and skilled business assessment, as well as identification, of the risks facing our business, with a particular focus on top-down, emerging and principal risks, whether they be strategic, change, financial, regulatory, climate, political, financial, IT, legal, regulatory, reputational or other risks. The committee also reviews risks related to new business opportunities along with the executive management board. The committee has a responsibility to instil enhanced awareness and corporate risk governance in a meaningful way, informing our strategy and action planning. The committee meets quarterly.

Our ERM system

Our new ERM system holds our risk registers and provides greater visibility, ownership, management and reporting of risks, and is enabling improved tracking of associated actions. It has helped provide a dynamic view and tracking of our risks, impacts and actions that can be viewed across our global business and maintained dynamically by risk owners in real time. We will further train and embed our ERM processes and across our global business in 2023.

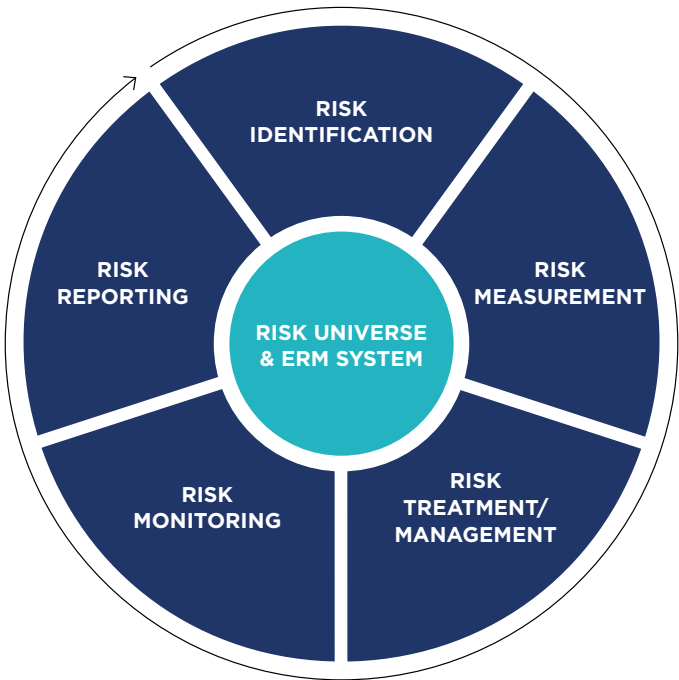
Operational Risk

Reflecting our purpose of ensuring safe and secure operations, as well as our core value of Safety, the removal and management of risk throughout our day-to-day operations is fundamental. Continuing to improve and embed our Menzies Operating Responsibly Safely and Effectively (M.O.R.S.E.) programme and safety management systems, is a top priority. By linking our M.O.R.S.E. system with our ERM system over the coming months, we will create a more dynamic, 'live' operational risk register that can be effectively managed. As we onboarded many new employees to support or existing and new operations, and began integrating NAS locations into our business during 2022, ensuring we focus on delivering the best safety training, tools and develop our safety culture has never been more critical. 2023 will be no different as we support continued growth, responsibly.

RISK FRAMEWORK & GOVERNANCE STRUCTURE



THE RISK MANAGEMENT CYCLE



Taskforce for Climate-Related Financial Disclosures (TCFD)

We are pleased to share our second report under the Taskforce for Climate-Related Financial Disclosures (TCFD) framework. We have made disclosures consistent with each of the recommendations consistent with ‘comply and explain’ requirements, as we plan on further integrating climate risk and opportunity management into our overall risk management. We have conducted a detailed risk assessment and scenario analysis and further details of each disclosure are outlined in the information and table that follows.



To help facilitate the implementation of the TCFD framework, we have engaged TCFD and climate specialists, ESG360° Risk Management Limited (ESG360°). ESG360° helped us lay strong foundations for developing and maturing our approach in our 2021 reporting cycle and have continued that support in this latest report, particularly around emissions calculations in relation to Scope 3, supplier engagement and SBTi Net-Zero target setting. The progress we have made this year through progressing key initiatives further demonstrates our commitment to sustainability, ensuring resilience and growing responsibly by placing a climate lens over our business operations, strategy and approach to governance including risk and decision-making. We are particularly proud of our commitment to submit science-based targets for verification this year, and our target to reach net-zero by 2045, and our participation in the UN Climate Ambition Accelerator programme. Following Agility’s acquisition of Menzies in 2022 and the subsequent integration of National Aviation Services (NAS), we have ensured data relating to each of the NAS locations is included in our analysis and overall climate risk profile. At our operations we have analysed our paper usage and set initial reduction targets for 2023 and initiatives identified to reduce usage further in future. We are also collaborating with some of our customers on how we can further reduce paper across shared processes. We continue our commitment to increase our electric motorised ground support equipment fleet.

Scenarios, Climate Risks and Opportunities

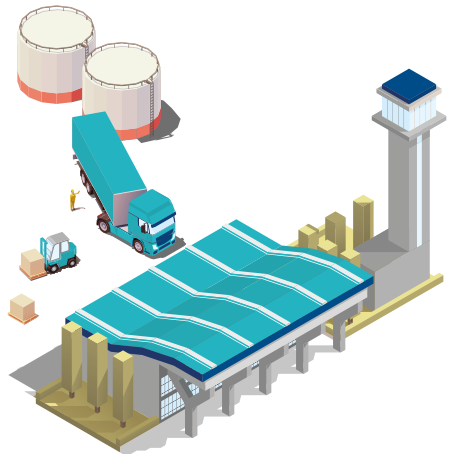
Scenarios

As part of our TCFD implementation process in 2021, we identified two key scenarios, outlined below. Whilst we have found no significant changes to either scenario since last year, we continue to monitor various indicators relating to these scenarios e.g. quantifying the impact of carbon pricing on each plausibility to ensure we can include this analysis in our forward planning.

- Our two transition scenarios in respect of climate change are described below:
- 1) Where governments and regulators lead the energy transition aligned with the Paris agreement and impose various policy measures consistently over this decade. This scenario envisages rapid action in respect of net-zero targets and implementation of mechanisms such as carbon pricing and financial incentives for decarbonisation especially for the aviation sector.
 - 2) Where there is a social tipping point that impacts on the aviation sector beginning with developed economies. This scenario envisages a drop in passenger numbers and drastic measures by governments towards end of this decade and a low carbon price until middle of this decade with growing investor and wider stakeholder focus on the aviation sector.

We also carried out physical climate risks assessment according to the latest climate science of our top 30 airport locations, with outcomes captured in the Physical Risk section of this report. We will be undertaking climate risk assessments for NAS locations in 2023.

Utilising the outcomes of the scenario analysis, we have begun to further understand and develop the strategic and financial implications of climate change on our business and continue to research developments that may impact us as outlined in each scenario. We also intend to incorporate this analysis into new business opportunity assessments.



TCFD continued

Climate Risks and Opportunities

Our TCFD framework implementation process has resulted in the Executive Management Board and the Board of Directors understanding the qualitative impacts of climate change on Menzies in the short, medium, and long-term time horizons using scenario planning as a strategic tool. We will continue to use the insight gained from this analysis to quantify the impacts and set our strategic direction to mitigate climate risks and maximise the opportunities available. Following Agility's acquisition of our business in 2022 and the subsequent integration of NAS, an assessment of relevant locations is also due to occur in their context.

External support from our consulting partners, in addition to our strategic reviews, have ensured that we have identified the high-level key climate related risks and opportunities to our business. To further our understanding, we have deployed our new enterprise risk management module, Corestream, supported by Deloitte, and ESG360° to gain granular data on our supply chain and scope 3 emissions

and continue to gather data on our physical and transition risks. These risks and opportunities are shown in the panel opposite.

Physical Risks

We carried out a comprehensive physical risks assessment of our top 30 airport locations based on the latest climate science from the Intergovernmental Panel on Climate Change (IPCC). This study highlighted five locations prone to physical risks namely coastal flooding, sea level rise, heat stress and drought in certain regions and locations on periods up to 2050, although no locations were at risk in the short term. We will carry out physical risks assessments of all new airport locations in the future to ensure any potential risks are identified and considered within the business case. We are currently progressing collection of physical risk data from our suppliers using the ESG360° platform and reviewing the physical risks relating to the additional locations resulting from the Agility acquisition.

“External support from our consulting partners, in addition to our strategic reviews, have ensured that we have identified the high-level key climate related risks and opportunities to our business.”

Transition Risks and Opportunities

Risks

As a business, we do not see any fundamental changes in our key risks in comparison to analysis from last year. The key risks identified are outlined below:

- Implementation of a carbon price and other taxes may have a direct financial impact should Menzies be unable to reduce its carbon emissions, as well as our competitors (medium/long-term).
- Fast changing consumer attitudes especially in developed European markets, may impact flight volumes and result in cost pressures from our customers where there are already tight contractual margins (medium-term).
- Uncertainties around decarbonisation technologies for the aviation sector and supporting infrastructure in some locations may inhibit our ability to meet our own carbon reduction targets and the required pace of change, as well as government targets. (short/medium/long-term).

Opportunities

- Energy efficiency and decarbonisation actions in operations faster than our competitors, and enabling our customers to achieve their targets faster.
- Leading the market with a robust sustainability strategy and collaborating with our aviation partners to take action, implement change and increase our resilience.
- Accessing grants and subsidies for decarbonisation technologies to offset the level of investment required in new training, technologies and equipment to support delivery of our carbon reduction goals as well as support the goals of the aviation sector more widely.
- Building a climate resilient strategy to attract relevant capital.



TCFD continued

GOVERNANCE	DISCLOSURE	REF
A) BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES.	Climate risks and opportunities identified were communicated to the Executive Management Board, and the Company's Board oversight was achieved via the Chief Governance & Sustainability Officer, as well as through our risk management processes, captured and discussed with the Audit and Risk Committee. Our plans to form our ESG Committee were postponed in 2022 while our focus was on the sale and acquisition process of Menzies and subsequent integration activities with NAS. Our ESG Committee will now officially hold its first meeting with new terms of reference and senior representation from across our business in June 2023. The ESG Committee will identify ESG-related opportunities, risks, liaise and collaborate with external stakeholders, and oversee implementation of sustainability initiatives. It will work closely with the Risk Committee, ensuring that all climate-related risks are captured in our enterprise risk management approach. The ESG Committee will meet quarterly and report to the Executive Management Board and the Board of Directors through the Chief Governance & Sustainability Officer and the Head of Sustainability & Corporate Responsibility ensuring Board oversight at the highest level. Progress updates will also be made to the Executive Management Board through monthly business performance review updates. Further details of our governance structure can be found on pages 38 & 39 of this Sustainability Report.	Pages 38 and 39
	Senior management and the Chief Governance & Sustainability Officer have been directly involved in our scenario planning exercise and assessment of opportunities and risks, as well as participating and shaping our Sustainability Strategy and initiatives. This included awareness sessions led by ESG360° on climate change and external factors. The Risk Committee met at the end of 2022 and reviewed the top down risks and emerging risks which were quantified following a set methodology. The Executive Management Board have been informed regularly of progress with our Sustainability Strategy throughout the year and have been involved in and supported key initiatives, opportunities and collaborations. Details of our sustainability plans were communicated directly to over 100 our senior managers, including colleagues from NAS, at an internal global leadership conference held in November 2022. Members of senior management have been assigned appropriate climate related targets focused on reducing Scope 1 and 2 greenhouse gas (GHG) emissions. These will be reassessed and reset for 2023, following more detailed scenario planning, Scope 3 accounting and setting of science based targets.	

STRATEGY	DISCLOSURE	REF
A) SHORT, MEDIUM AND LONG-TERM CLIMATE-RELATED RISKS AND OPPORTUNITIES.	We have carried out a comprehensive materiality assessment of climate risks and opportunities relevant to our business model to understand high-level strategic and financial impacts of these issues over short, medium and long-term time horizons (referenced within the 'Climate risks and opportunities' section on page 41). Supplier engagement will play a key role in our strategy moving forward to map the climate-related risks and opportunities across our supply chain.	Pages 10, 33 and 41
B) IMPACT OF CLIMATE RELATED RISKS AND OPPORTUNITIES ON OUR BUSINESS, OUR STRATEGY AND OUR FINANCIAL PLANNING.	Net-zero aligned government legislation and changing consumer attitudes towards the aviation sector may have a long-term impact on our business. We will continue to monitor changes to external impacts and to understand granular strategic and financial impacts of climate risk on our business, which will better enable us to consider and implement any adjustments to our strategy. This will be reported on in more detail in our next Annual Review & Sustainability Report. We already take an 'electric first' approach to all investment decisions around new ground support equipment and vehicles.	Pages 21-25
C) THE RESILIENCE OF OUR STRATEGY TO DIFFERENT CLIMATE-RELATED SCENARIOS, INCLUDING A 2C OR LOWER SCENARIO.	As part of the TCFD implementation process, we undertook scenario analysis including one scenario aligned with the Paris agreement. Although the aviation sector is under pressure due to climate related matters, the results of scenario analysis have confirmed no major risks to our strategy in the short to medium term at this time. That said, reviewing our strategy with a climate lens taking into account climate related risks and impacts in investment decisions is activity we are taking now, as noted above, to better consider any adjustments we need to make. We intend further reviewing our strategy against the scenarios identified and short, medium and long-term timeframes to understand the resilience of our strategy and will continue to do so on at least an annual basis, including any new material scenarios as they arise. We believe our focus on reducing our carbon emissions and collaborating with our industry partners on implementing change, new infrastructure and supporting each other to achieve our goals, coupled with continuing to develop our mix of aviation services and varied geographies we operate in will ensure our continued resilience in the short to medium term.	Pages 10, 21-25 and 33

TCFD continued

RISK	DISCLOSURE	REF
OUR PROCESSES FOR: A) IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS; B) MANAGING CLIMATE RELATED RISKS; AND C) HOW OUR PROCESSES ARE INTEGRATED INTO OUR OVERALL RISK MANAGEMENT.	We identify and assess climate related risks within our existing risk management processes and details of climate related principal risks are managed and reported in line with the risk governance structure summarised of page 39 of this Sustainability Report. We have implemented a comprehensive Enterprise Risk Management (ERM) system, Corestream, with support from Deloitte. Climate risks and opportunities, which were uncovered from last year's TCFD implementation process, are managed and fully integrated within our updated ERM processes and are a core part of our risk assessment processes. Further details of our risk governance structure, risk management framework including details of our approach to identifying, assessing, and managing risk, including integrating climate related risks, can be found on page 39 of this Annual Review & Sustainability Report.	Page 39
METRICS AND TARGETS	DISCLOSURE	REF
A) METRICS USED TO ASSESS OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES IN LINE WITH STRATEGY AND RISK MANAGEMENT PROCESSES.	Scope 1 and 2 GHG emissions are disclosed on page 23 of this Sustainability Report and our Scope 3 calculation is underway and will be completed in 2023. We are setting up a process to collect data via our value chain to calculate our Scope 3 emissions and we are engaging with our top 50 suppliers to understand their GHG emissions, climate risks and potential impacts on our own operations. Further metrics and targets will be devised through the implementation of the TCFD recommendations and as a result of setting our science based targets via the Science-based Targets initiative (SBTi) Net-Zero Standard. These will be included within the Sustainability Strategy and reflected within appropriate employment key performance indicators (KRAs) including senior management and associated financial rewards.	Pages 21-25
METRICS AND TARGETS	DISCLOSURE	REF
B) OUR SCOPE 1, SCOPE 2 AND IF APPROPRIATE, SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS, AND THE RELATED RISKS.	GHG emissions are disclosed in the Environmental section of this Sustainability Report. As referenced above, we are undertaking a Scope 3 analysis and accounting exercise in 2023 with the aim of setting verified science-based targets in line with the SBTi's net-zero target setting programme by June 2023. We are engaging with our top suppliers to understand their GHG emissions, climate risks and potential impacts on our own operations.	Pages 21-25 and 33
C) TARGETS TO MANAGE OUR CLIMATE-RELATED RISKS AND OPPORTUNITIES AND PERFORMANCE AGAINST THESE TARGETS.	We are deploying technology to measure and track our Scope 1 and 2 GHG emissions and this will also be extended to collect Scope 3 data as we work towards our targets. Our GHG emissions data and KPIs can be found on page 23 of this Sustainability Report. Once further metrics and targets have been devised through the implementation of the TCFD recommendations, scenario analysis and setting of science based targets, performance metrics will be further developed as both KRAs as well as renewed targets and metrics for our senior and executive management teams.	Pages 21-25



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