

Delivering for a
SAFER



More Sustainable
WORLD

SUSTAINABILITY REPORT 2025



Delivering for a Safer, More Sustainable World

At National Air Cargo, sustainability is not just a commitment, but an operational endeavor. We believe sustainability is a shared responsibility, reflected in our collaboration, innovation, and alignment with internationally recognized frameworks.

For over three decades, we have supported customers across complex supply chains, mission-critical logistics, specialized cargo, defense operations, humanitarian response, and global aviation services.



Our operations are increasingly sustainability-driven, powered by decisions that improve fuel efficiency, modernize our fleet, explore lower-carbon aviation solutions, enhance safety, invest in our people, and strengthen partnerships across a more resilient logistics ecosystem.

Delivering for a Safer, More Sustainable World, therefore, reflects our purpose as a mission-critical logistics and aviation partner. It brings together our responsibility to reduce environmental impact, protect people, uphold trust, and support communities. As we look to the future, National Air Cargo remains steadfast in its commitment to providing reliable, responsive, and secure global transport solutions.

Table of Contents

Navigate Our Sustainability Priorities



Planet

Lower-carbon operations, resource efficiency, and environmental stewardship.

Pages 14, 15, 16, 17, 20, 21, 22, 37, 38



People

Safety, well-being, inclusion, capability building, and community impact.

Pages 18, 23, 24, 25, 39, 40



Prosperity

Responsible growth through resilient logistics, innovation, and operational excellence.

Pages 19, 32, 33, 34, 35, 36, 41



Governance

Ethics, accountability, compliance, risk management, and transparent reporting.

Pages 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 26, 27, 28, 29, 30, 31, 42, 43, 44, 45

Management Message

Chairman's Message



Dear Stakeholders,

At National, sustainability and social responsibility reflect who we are and the future we are committed to shaping. As Chairman, I am proud to reaffirm our commitment to environmental, social, and governance (ESG) principles as foundational to our long-term business strategy. Sustainability is not a parallel track; it is embedded in every decision we make, every innovation we pursue, and every partnership we form.

As a global freight forwarder and a cargo and passenger airline, we recognize the unique responsibility that comes with our scale and reach. Our aircraft fly across continents, enabling trade, connecting people, and delivering critical goods, from vaccines to humanitarian aid, often when the world needs them most. But with that reach comes environmental impact, and it is our duty to lead the industry in reducing that impact.

We are taking bold steps to address our environmental footprint. From modernizing our fleet with fuel-efficient aircraft to exploring sustainable aviation fuel (SAF) and route optimization technologies, we are advancing meaningful progress toward decarbonization. Our support for global initiatives such as ICAO's CORSIA and IATA's net zero 2050 target reflects our alignment with international climate goals and our dedication to responsible growth.

Innovation is central to our approach. Through the transformation of our digital ecosystem, including platforms like LOGIX, we are enhancing operational efficiency, reducing waste, and delivering smarter solutions to our customers. We continue to work closely with aircraft manufacturers and logistics partners to pioneer more sustainable cargo and passenger operations.

We understand sustainability extends beyond the skies, roads and seas. It is also about investing in people, ensuring the safety, well-being, and professional development of our workforce across regions. We value equal employment opportunities, promote fair labor practices, and remain committed to supporting the communities we serve.

We also recognize that transparency builds trust, and the Sustainability Program represents our commitment to measurable progress and clear accountability. Through ongoing tracking of our sustainability KPIs, we aim to hold ourselves to the highest standards and share our journey openly with all stakeholders.

As we move forward, we do so with purpose and unity as One National, focused not only on delivering the world, but creating a safer, more sustainable world.

Christopher Alf
Chairman and CEO

About the Report

Scope and Boundary

This inaugural Sustainability Report outlines National's sustainability priorities, initiatives, and approach to responsible business practices across the integrated logistics and aviation operations of National Air Cargo Group and National Airlines. National Air Cargo (Deutschland) GmbH has mapped its Scope 1 and Scope 2 emissions and established 2022 as the baseline year for its Germany-based operations. For National Airlines' aviation operations, 2025 serves as the initial baseline year for emissions measurement and reporting. Building on this foundation, we are focused on improving data quality, consistency, and transparency across our logistics and aviation operations to support the development of a more comprehensive enterprise-wide emissions inventory over time. This report reflects our commitment to advancing environmental stewardship, social responsibility, and economic resilience as interconnected drivers of long-term business success. Through our Sustainability Program, we are establishing a framework to reduce environmental impacts, create positive social value, and integrate sustainable practices into our operations and planning processes. The report covers activities across North America, Europe, the Middle East, and Asia-Pacific, including flight operations, owned and operated fleet activities, ground handling, warehousing, and logistics services. As our inaugural report, it establishes a foundation for measuring progress, enhancing transparency, and driving continuous improvement in the years ahead.



Global Sustainability Benchmarks

The disclosures in this report have been developed with reference to globally recognized sustainability, climate and aviation-related frameworks, standards, and initiatives, including:

- / Global Reporting Initiative (GRI) Standards
- / United Nations Sustainable Development Goals, specifically:



- / IFRS S1 – General Requirements for Disclosure of Sustainability-Related Financial Information
- / IFRS S2 – Climate-Related Disclosures
- / Taskforce on Nature-Related Financial Disclosures (TNFD)
- / ICAO's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA)
- / IATA's Fly Net Zero by 2050 initiative

Reporting Period



Unless otherwise noted, the disclosures, metrics, and performance data presented throughout this report pertain to National Air Cargo's operations and activities during the reporting period covering the fiscal year ended December 31, 2025.





Transparency and Assurance

National Air Cargo is committed to advancing transparency, accountability, and data integrity across its sustainability reporting and disclosures. As part of its Sustainability Program, National is strengthening the processes, governance structures, and reporting practices that support the identification, assessment, and management of ESG-related risks, opportunities, and performance across its integrated logistics and aviation operations. Given the diverse nature of National's activities and geographic footprint, sustainability-related information is currently collected and managed through regional operations across North America, Europe, the Middle East, and Asia-Pacific. Sustainability data and disclosures are subject to internal review and, where applicable, third-party assurance or validation processes, with oversight provided by the Sustainability Committee and Corporate Governance Office. As National continues to develop and mature its sustainability reporting program, efforts remain focused on enhancing coordination, consistency, accuracy, reliability, and audit readiness across ESG data management systems and reporting practices. These ongoing improvements support informed decision-making, strengthen stakeholder confidence, and reinforce the credibility of National's sustainability disclosures, while establishing a strong foundation for measuring progress and driving continuous improvement in the years ahead.



Forward-Looking Statements

This report contains forward-looking statements regarding National Air Cargo's sustainability strategy, climate commitments, operational initiatives, partnerships, targets, and future performance. These statements are based on current assumptions, expectations, and projections and are inherently subject to risks, uncertainties, and evolving circumstances. Factors that may influence actual outcomes include changes in regulatory requirements, market conditions, technological developments, resource availability, operational priorities, stakeholder expectations, and the maturity of sustainability data and reporting methodologies. As a result, actual results and achievements may differ materially from those expressed or implied in these forward-looking statements.

Delivering the World to Our Customers, Responsibly



Who We Are

For over three decades, National Air Cargo has delivered specialized, mission-critical logistics solutions across global markets. Established in 1991, the Group has grown from a regional freight forwarder in the United States into an integrated logistics and aviation enterprise, supporting customers across air freight, ocean freight, multimodal transportation, defense logistics, humanitarian aid, warehousing, customs brokerage, ground handling, and specialized project cargo.



What We Do

National Air Cargo is known for its **White Glove** service approach, offering door-to-door logistics solutions designed around efficiency, security, responsiveness, and customer visibility. With 24/7 support, in-house track-and-trace capabilities and deep operational expertise, we manage complex domestic and international cargo movements with precision and care.



What We Move

From oilfield machinery and heavy aircraft parts to defense equipment, live performance instruments, e-commerce deliveries, and emergency relief materials, National Air Cargo moves cargo that is often large, urgent, sensitive, or complex. Our teams support customers across industries and geographies, helping ensure that critical shipments reach their destination safely, securely, and on time.



How We Deliver

National's integrated business model is strengthened by National Airlines, its aviation division and a U.S. FAA Part 121-certificated air carrier. National Airlines operates a fleet of twelve aircraft, consisting of Boeing 747-400 freighters and Airbus A330 passenger aircraft. The planned addition of Boeing 777-200 freighters is expected to further enhance operational efficiency, increase global capacity, and expand network reach. As part of National Air Cargo's long-term fleet modernization strategy, the Boeing 777F offers the potential to significantly improve fuel efficiency compared with older freighter aircraft, such as the Boeing 747 series, resulting in lower fuel consumption and reduced carbon emissions per ton of cargo transported. This planned investment reflects National's commitment to strengthening operational performance while supporting its environmental objectives. Combined with National Air Cargo's logistics expertise and owned aviation assets, these capabilities enable the delivery of safe, reliable, efficient, and increasingly sustainable cargo and passenger charter solutions to more than 450 destinations worldwide.



Our Vision

To bridge the gap between distances and wishes by enhancing businesses and people's lives around the world.



Our Values

- / Uncompromising integrity
- / Passion for excellence
- / Full-spectrum customer focus
- / Continuous improvement
- / Responsibility



Our Solutions

- | | |
|--------------------------------|-------------------------|
| / End-to-End Freight Solutions | / Project Logistics |
| / Ocean Freight | / Humanitarian Aid |
| / Air Freight Solutions | / Customs Brokerage |
| / 3PL & Supply Chain | / General Warehousing |
| / Multimodal Solutions | / Value-Added Solutions |
| / Cargo Charters | / Trucking Brokerage |
| / Defense Logistics | |



Industries Served

- | | |
|------------------------|-------------------------------------|
| / Government & Defense | / E-commerce & Retailers |
| / Automotive | / Events & Trade Shows |
| / Aerospace | / Fast Moving Consumer Goods (FMCG) |
| / Pharmaceuticals | |



Where We Operate

Supported by global offices spanning the United States, Europe, Africa, the Middle East, and Asia-Pacific, National Air Cargo provides mission-critical logistics and charter services wherever and whenever they are needed. Through its extensive network, strategic airline partnerships, specialized handling capabilities, and around-the-clock operations, National supports customers across a broad range of sectors, including defense, e-commerce, automotive, energy, oil and gas, fashion, pharmaceuticals, humanitarian aid, and complex project logistics. This global reach enables National to deliver reliable, flexible, and tailored transportation solutions in some of the world's most challenging operating environments.



National Air Cargo has its **global headquarters in Orlando, Florida**, and operational hubs across **North America, Europe, Africa, the Middle East, and Asia.**



Key hubs include **Buffalo, Chicago, Houston, Frankfurt, Amsterdam, Madrid, Dubai, Djibouti, Kuala Lumpur, Tokyo, Hong Kong, and Shanghai.**



National Air Cargo Group Entities and Offices

Entity/Office	Location / Jurisdiction
National Air Cargo Holdings Inc.	Orlando, United States
National Air Cargo (Deutschland) GmbH	Germany
National Air Cargo Malaysia	Malaysia
National Air Cargo Group, Inc. (DBA National Airlines)	Orlando, United States
National Air Cargo Japan	Japan
National Air Cargo, Inc., New York	New York, United States
National Air Cargo (Nederland) B.V.	Netherlands
National Brokerage LLC	New York, United States
National Air Cargo Group, Inc. – Shanghai Representative Office	Shanghai, China
National Air Cargo Group, Inc. – Hong Kong Branch Office	Hong Kong
National Air Cargo Middle East FZE	Dubai, U.A.E.
N. Air Cargo Logistics Spain, S.L.	Madrid, Spain
NAC India Freight Solutions Private Limited	India



450+
Airports served



24 x 7 x 365
Operations



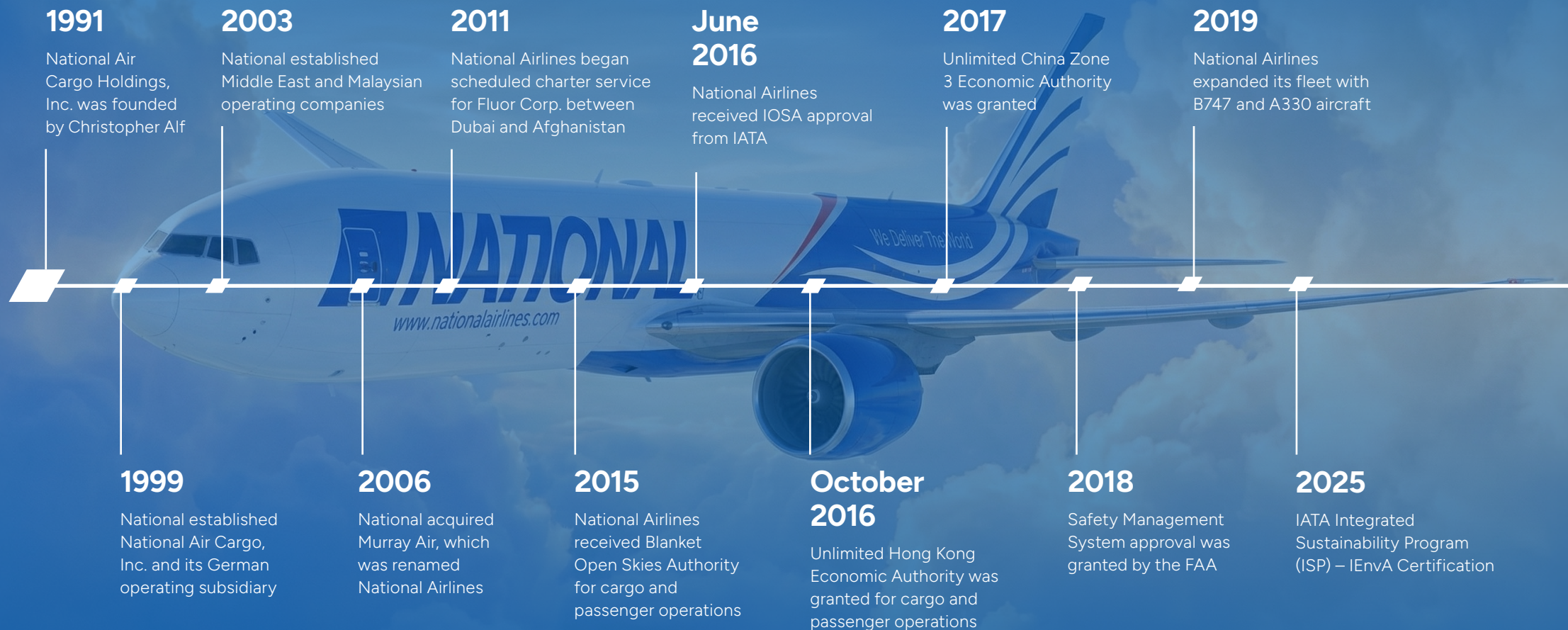
10+
Global offices



Big. Heavy. Complex
Cargo movement



The National Journey: Built to Deliver



Industry Memberships and Commitments

National Air Cargo's industry memberships demonstrate its commitment to upholding global aviation standards and advancing collaboration across the aviation and logistics sectors. Through active engagement with leading industry organizations, National supports the promotion of safety, security, operational efficiency, and sustainability, while contributing to the development of responsible and resilient industry practices.



International Air Transport Association (IATA)

Aligned with aviation best practices in safety, security, efficiency, and sustainability



Net Zero 2050 Alignment

Supports the aviation industry's commitment to achieve net-zero carbon emissions by 2050



Airforwarders Association (AFA) Engagement

Contributes to regulatory engagement, innovation, and advocacy for the U.S. air cargo and forwarding industry

Caterina Alf, Global Director of Business Development and Sustainability Committee Member



As champions of quality, safety, and planet-forward innovation, we are united as One National in advancing a culture of sustainability across our organization. Guided by a shared commitment to environmental stewardship and continuous improvement, we are transforming ambition into action and embedding sustainability into the way we work every day. Following a landmark year, 2025 marked a defining milestone in our sustainability journey. National's Sustainability Program achieved significant recognitions, including becoming the first U.S. carrier to earn IEnvA certification and achieving the Dubai Chamber of Commerce's ESG Label in the Middle East. These accomplishments are a testament to the dedication, expertise, and collective efforts of our teams worldwide, while reinforcing our commitment to responsible operations, transparency, and measurable progress. Innovation remains central to our approach as we collaborate with aircraft manufacturers, logistics partners, and industry stakeholders to pioneer more sustainable cargo and passenger operations. At the same time,

we continue to advance meaningful progress in decarbonization, operational efficiency, and waste reduction, ensuring our actions reflect the evolving expectations of our customers, communities, and industry stakeholders. As we enter the next chapter of our sustainability journey, we are building on a strong regional foundation of knowledge, innovation, and excellence. Through purposeful education, meaningful collaboration, and action-oriented initiatives, we are evolving sustainability from a collection of regional achievements into a unified global movement. Together, we are strengthening our culture, empowering our teams, and creating lasting value for our customers, communities, and the environment, ensuring sustainability remains at the heart of National's future.

Caterina Alf

Global Director of Business Development and
Sustainability Committee Member

Double Materiality Lens

Understanding What Matters to Deliver Responsibly

National Air Cargo is evaluating a double materiality approach to better understand both the impacts of its operations on the environment and society (impact materiality) and the ways in which climate-related and broader sustainability factors may influence business resilience, financial performance, and long-term value creation (financial materiality). While company-wide adoption remains our long-term objective, the implementation of the double materiality assessment will follow a phased, multi-year approach, allowing for the systematic evaluation and integration of sustainability-related impacts, risks, and opportunities across our operations and business activities.

As a global aviation and logistics company with fuel-intensive operations, we recognize the importance of responsibly managing emissions, energy consumption, and natural resources. This perspective reinforces the

sustainability initiatives already underway across National Air Cargo, including fleet modernization, operational efficiency enhancements, digital transformation to reduce paper consumption, and the evaluation of Sustainable Aviation Fuel (SAF) as part of our long-term decarbonization strategy.

By considering environmental and social impacts alongside financial risks and opportunities, National Air Cargo is better positioned to anticipate evolving regulatory requirements, respond to fuel price volatility, meet growing customer demand for lower-carbon aviation and logistics solutions, and strengthen business resilience. This approach helps inform the material topics that shape our sustainability strategy, guide capital allocation and operational decision-making, and support the creation of sustainable long-term value for our stakeholders.



Double Materiality Assessment

Impact Materiality



CO₂e emissions reduction and climate action



Community engagement and local development



Effective and transparent governance



Biodiversity and wildlife trafficking

Financial Materiality



Fuel efficiency and fleet optimization



Market and consumer preferences



Brand reputation

Material Priorities

Our Material Priorities

Compliance and Governance



Why It Is Material

National Air Cargo operates within a highly regulated global aviation and logistics environment, where maintaining compliance, ensuring safety, managing emissions, and preparing for evolving regulatory requirements are critical to long-term success. As climate-related regulations continue to advance, including frameworks such as the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the European Union Emissions Trading System (EU ETS), and the European Union's ReFuelEU Aviation Regulation, the aviation industry faces increasing expectations regarding emissions performance and sustainable fuel adoption. In response, National Air Cargo is enhancing its compliance, monitoring, and emissions management capabilities to align with emerging regulatory requirements, support operational resilience, and advance its broader sustainability commitments.



National Air Cargo's Approach and Focus Areas

Recognizing the importance of strong governance in advancing environmental performance, National Air Cargo is establishing a matrix environmental governance structure that fosters cross-functional collaboration and accountability. Under the strategic oversight of the CEO, Board of Directors, and Sustainability Committee, environmental priorities are integrated into corporate decision-making, long-term planning, and operational execution, helping ensure consistent progress toward National's sustainability objectives.



Progress So Far

National Air Cargo's environmental governance framework is structured to provide robust oversight of emissions monitoring, supplier-related environmental requirements, and the management of Scope 1 and Scope 2 emissions data. National evaluates progress against environmental targets while monitoring regulatory changes, disclosure requirements, fuel-consumption performance, technological advancements, stakeholder expectations, and emerging climate-related risks.

Supporting records are retained for a minimum of seven years to ensure data integrity, transparency, and regulatory compliance. An annual cross-functional review further strengthens governance by assessing environmental performance, validating strategic priorities, and guiding continuous improvement efforts.



Climate Impact



Why It Is Material

The aviation sector is a significant contributor to global greenhouse gas emissions, making climate impact a material sustainability priority for National Air Cargo. As a global aviation and logistics provider, our environmental footprint extends beyond aircraft fuel combustion to include ground support operations, specialized equipment, 24/7 facility operations, electricity consumption, water use, paper and packaging materials, and maintenance-related activities. These operational inputs represent important areas of environmental impact and resource consumption across our business.

Effectively managing these impacts is essential to reducing our overall environmental intensity while maintaining the reliability, efficiency, and resilience of our air cargo operations. Through ongoing assessment, improved resource management practices, and enhanced environmental performance monitoring, National Air Cargo is working to identify opportunities to optimize operational efficiency, reduce emissions, and support long-term environmental stewardship across its global operations.



National Air Cargo's Approach and Focus Areas

National Air Cargo is advancing its environmental priorities through a structured sustainability roadmap aligned with the United Nations Sustainable Development Goals (UN SDGs). Key focus areas include carbon emissions reduction, sustainable resource consumption, responsible supply chain management, biodiversity protection, and long-term environmental stewardship. This approach is further supported by alignment with globally recognized frameworks and regulatory requirements, including the Paris Agreement, IFRS S2 Climate-Related Disclosures, and applicable regional programs such as the European Union Emissions Trading System (EU ETS).

To enhance the accuracy, credibility, and comparability of environmental performance reporting, National Air Cargo intends to adopt International Air Transport Association (IATA) methodologies and industry-defined metrics for emissions measurement and disclosure. This will support the consistent quantification of carbon dioxide equivalent (CO₂e) emissions associated with jet fuel combustion and enable the tracking of emissions intensity in accordance with aviation sector best practices.

To further strengthen climate accountability and performance management, National Air Cargo is evaluating a comprehensive environmental data collection and reporting framework aligned with the Greenhouse Gas Protocol (GHG Protocol). The framework will facilitate the classification, measurement, and monitoring of greenhouse gas emissions across all relevant categories, including Scope 1 emissions from direct operational sources such as aircraft and facilities, Scope 2 emissions from purchased electricity and energy consumption, and Scope 3 emissions generated throughout the value chain, including supplier activities, waste management, and business travel. By establishing a standardized emissions inventory, National aims to improve transparency, support informed decision-making, and advance progress toward its long-term sustainability objectives.



Progress So Far

National Air Cargo is establishing the infrastructure necessary to support high-quality climate measurement, management, and disclosure, with an initial focus on Scope 1 and Scope 2 emissions, National's most material and controllable sources of greenhouse gas emissions. This effort includes the systematic tracking of jet fuel consumption and purchased electricity across operational facilities, supported by formal governance mechanisms, defined data ownership, and standardized processes for data collection, verification, and reporting.

By building a strong emissions management foundation, National Air Cargo aims to enhance the accuracy, reliability, and comparability of its environmental performance data while positioning National to establish future emissions reduction targets and monitor progress against key sustainability objectives. Over time, this framework will facilitate a phased expansion into Scope 3 emissions reporting, advancing a more comprehensive and transparent approach to climate accountability.

Aligned SDGs



Decarbonization

National Air Cargo is advancing a decarbonization strategy designed to reduce emissions across its aviation, logistics, and value chain activities while maintaining operational excellence. The strategy leverages innovation, data-driven decision-making, and industry collaboration to improve environmental performance and support the transition toward a lower-carbon air cargo sector.

Priority initiatives include fleet and equipment modernization, electrification of ground operations, renewable energy adoption, energy efficiency improvements, route and fuel optimization, and the expansion of digital and AI-enabled solutions that enhance resource efficiency and reduce waste. Through strategic partnerships with environmentally responsible service providers and participation in leading industry programs such as IATA IEnvA and Airport Carbon Accreditation, National Air Cargo aims to accelerate climate action, strengthen supply chain resilience, and offer customers credible lower-carbon transportation solutions, including Sustainable Aviation Fuel (SAF) certificate programs.

Preparing for Future Scope 3 Measurement and Management

Recognizing the importance of value chain emissions in achieving long-term climate objectives, National Air Cargo is advancing an approach that incorporates Scope 3 emissions management principles into supplier engagement, procurement processes, and operational partnerships. National also seeks to support avoided-emissions opportunities through digital transformation initiatives that improve network efficiency, optimize resource utilization, and reduce operational waste.

As part of this effort, National Air Cargo intends to incorporate sustainability-related requirements into contractual agreements, including carbon reduction expectations, emissions performance metrics, and incentive structures designed to encourage continuous environmental improvement. National further aims to enhance emissions transparency by requesting standardized environmental performance data from key suppliers and service providers. Utilizing recognized frameworks such as the GLEC Framework and applicable ISO standards, National Air Cargo seeks to establish a consistent, credible, and comparable approach to tracking emissions performance across its global operations and value chain.

Fleet Modernization: Advancing Sustainable, Efficient, and Resilient Aviation

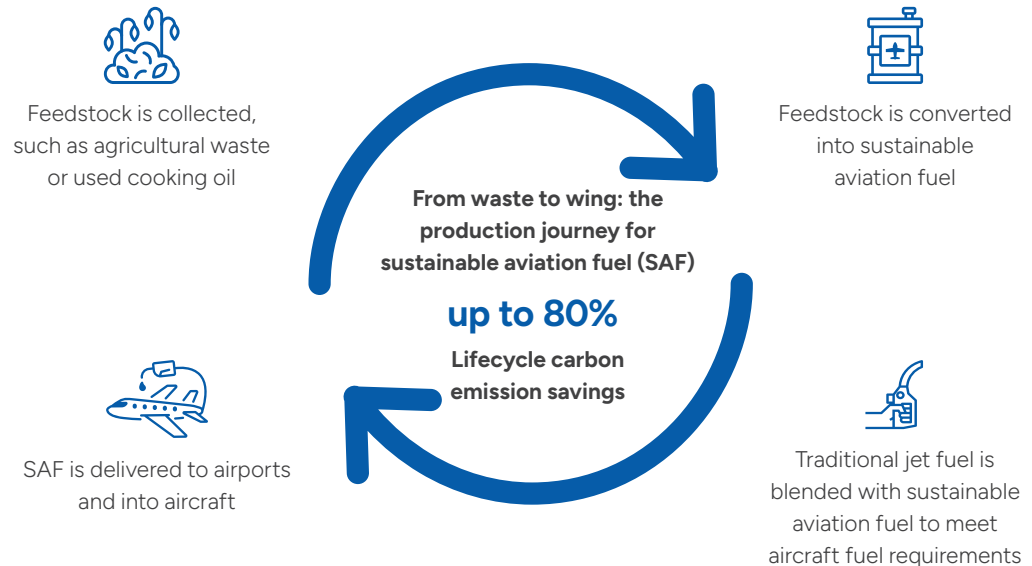
Fleet modernization is an important component of National Air Cargo's long-term decarbonization strategy. As part of its future fleet planning, National intends to introduce next-generation freighter aircraft, including the Boeing 777F, to further enhance operational efficiency and reduce environmental impact. Compared with older freighter models, such as the Boeing 747 series, the Boeing 777F is expected to provide substantially improved fuel efficiency, with the potential to reduce fuel consumption and carbon emissions per ton of cargo transported by approximately 20%. This planned investment supports National's environmental objectives while reinforcing its commitment to delivering safe, reliable, and efficient air cargo services.





Sustainable Aviation Fuel (SAF) Adoption as a Decarbonization Lever

National Air Cargo recognizes Sustainable Aviation Fuel (SAF) as a critical enabler of aviation decarbonization and is evaluating its role within National's long-term climate transition strategy. Because SAF is designed to be fully compatible with existing aircraft engines and fueling infrastructure, it offers a practical pathway to reducing lifecycle greenhouse gas emissions while maintaining operational reliability, safety, and performance.



Working closely with industry experts, technical stakeholders, and operational teams, National Air Cargo is assessing opportunities to incorporate SAF into its operations in a manner that balances environmental benefits with considerations related to safety, efficiency, availability, and scalability. As SAF markets continue to mature, National remains focused on identifying responsible and commercially viable pathways that support long-term emissions reductions and contribute to a more sustainable future for air cargo transportation.

To help advance future SAF adoption, National Air Cargo is exploring strategic partnerships with biofuel producers and other key stakeholders across the SAF value chain. These collaborations are intended to support the development of a more resilient and sustainable SAF supply network, improve access to lower-carbon fuels, and contribute to broader industry efforts to accelerate aviation decarbonization.

National Air Cargo also recognizes the challenges associated with large-scale SAF deployment, including higher production costs, constrained market availability, and varying lifecycle emissions benefits depending on feedstock sources and production pathways. Despite these challenges, National views SAF as one of the most promising opportunities for reducing aviation-related emissions and remains committed to supporting research, innovation, investment, and collaborative partnerships that help address adoption barriers and enable the long-term transition to lower-carbon aviation.

Our Principles for Responsible Growth

Guided by sustainability as our ethical compass, National Air Cargo is committed to advancing responsible practices that shape a more resilient future for aviation and logistics.

Our Core Sustainability Pillars



Fueling a Better Future

Fleet Fuel Efficiency

National Air Cargo's carbon reduction strategy is anchored in fleet modernization and operational efficiency. As part of this approach, we plan to invest in more fuel-efficient aircraft, including the Boeing 777F, which can reduce fuel consumption and associated emissions by approximately 20% per ton of cargo transported compared to legacy aircraft. In parallel, we are evaluating the use of Sustainable Aviation Fuel (SAF), advancing engine performance enhancements in collaboration with industry partners, and implementing route optimization technologies to improve operational efficiency and reduce environmental impact. Together, these initiatives support our long-term decarbonization pathway and align with the International Air Transport Association's (IATA) Net Zero 2050 commitment and the International Civil Aviation Organization's (ICAO) Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA).



Making Resources Matter

Recycling and Digitization

National Air Cargo advances sustainable consumption through waste reduction, digital transformation, and resource-efficient workplace practices. We are reducing reliance on single-use plastics, enhancing office-wide recycling programs, and transitioning to electronic documentation, cloud-based systems, and paperless workflows to minimize material consumption and operational waste. These efforts are complemented by green office initiatives designed to improve efficiency, optimize resource use, and foster a culture of environmental stewardship across our operations.



Our Core Sustainability Pillars



People Make the Difference

Creating and fostering a supportive workplace environment

National Air Cargo is committed to fostering a workplace where equal opportunity, inclusion, and fair labor practices are embedded throughout the employee experience. We recognize diversity as a source of strength and innovation, and we strive to cultivate an inclusive culture where all employees are respected, supported, and empowered to succeed. Through inclusive recruitment practices, professional development opportunities, leadership growth initiatives, and family-friendly benefits, we aim to create an environment that enables our people to thrive. These efforts are reinforced by robust anti-discrimination and anti-harassment policies that help ensure a safe, equitable, and respectful workplace for all.



Compassion in Every Journey

Adhering to the most humane and compliant animal transport policies

National Air Cargo is committed to responsible cargo transportation that supports animal welfare, biodiversity conservation, and sustainable supply chain practices. We adhere to internationally recognized standards for the humane transport of live animals, including the IATA Live Animals Regulations (LAR) and IATA's Center of Excellence for Independent Validators (CEIV) Live Animals certification. In addition, we comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), helping prevent the transport of endangered species and illegal wildlife products. Through these rigorous standards and safeguards, we strengthen responsible logistics practices while contributing to global efforts to protect vulnerable species, preserve biodiversity, and support healthy ecosystems.

Our Sustainability Journey FY2025

National Air Cargo's FY2025 ESG achievements reflect the continued integration of environmental, social, and governance principles across its global aviation and logistics operations. By advancing responsible business practices, strengthening stakeholder trust, and responding to the evolving expectations of customers, employees, communities, and business partners, National is creating long-term value through sustainable and resilient growth. Throughout 2025, National further enhanced its focus on environmental stewardship, including support for wildlife conservation and biodiversity initiatives, reinforcing its commitment to responsible growth and the preservation of natural ecosystems. These efforts reflect National's broader vision of generating positive impacts for both people and the planet while contributing to a more sustainable future for the aviation and logistics industry.



E of ESG

Carbon Reduction Ambition

National Air Cargo's approach to climate action reflects the evolving maturity of its global operations. In Europe, National Air Cargo (Deutschland) GmbH has aligned with the Science Based Targets initiative (SBTi), adopting a structured emissions reduction pathway that targets a 42% reduction in Scope 1 and Scope 2 greenhouse gas emissions by 2030. This target applies specifically to the Germany-based operation and reflects its commitment to science-based climate action. Across its broader network, National continues to advance sustainability initiatives that improve operational efficiency, strengthen environmental accountability, and support emissions reductions. National Airlines further supports the aviation industry's Net Zero by 2050 commitment through an interim objective of reducing carbon emissions by up to 10% by 2035. To strengthen climate management capabilities globally, National Air Cargo is evaluating advanced emissions tracking systems and aligning emissions management practices with recognized SBTi methodologies, enhancing the accuracy, transparency, and consistency of emissions measurement, and reporting across the organization.

Fleet modernization through the planned integration of the Boeing 777 Freighter enhances operational efficiency by reducing fuel consumption and lowering emissions intensity per ton of cargo transported. This investment supports compliance with current emissions standards while advancing National's long-term carbon reduction objectives and commitment to more sustainable air cargo operations.



777 Freighter: Cleaner, quieter, and more efficient

20% Lower fuel use per ton

40% Smaller noise footprint

20% Reduction in carbon emissions

CAEP/8
Below limits for NOx

Stage 5 and QC2
Meets noise levels

Sustainable Aviation Fuel (SAF)

Can reduce lifecycle emissions by up to **80%**

Source: Boeing Commercial Airplanes, 2025

01

Advanced SAF exploration as a core climate action priority, working with industry experts and engineering teams to assess integration into fleet operations and support long-term greenhouse gas emissions reduction.

02

Leveraging AGLaze Aviation Sealant as part of aircraft surface efficiency efforts, helping reduce parasitic drag by approximately 1.3% and deliver estimated fuel savings of 0.5–1% per flight.

Source: AGLaze International Limited 2025.

03

Evaluating Electric Taxiing (e-taxiing) opportunities to enhance operational efficiency and reduce fuel burn and associated emissions during ground movements by utilizing electric taxi systems in place of aircraft main engines.

04

National Air Cargo is expanding its climate management efforts globally by evaluating advanced carbon emissions tracking solutions and aligning emissions management practices with recognized SBTi methodologies. National is strengthening its ability to measure, manage, and transparently report progress toward its decarbonization objectives.



Green Infrastructure Strategy

National Air Cargo is committed to enhancing environmental performance across its facilities through energy efficiency improvements, renewable energy initiatives, residual emissions management, and sustainable infrastructure planning. By integrating these practices into facility operations and development, we aim to reduce our environmental footprint, optimize resource use, and support our long-term sustainability objectives.



Pathway to Carbon-Neutral Buildings

Targeting Scope 2 and stationary Scope 1 emissions across owned facilities



Energy Efficiency First

HVAC optimization, smart lighting controls, and enhanced insulation



Residual Emissions Management

Verified, high-quality carbon credits for emissions that cannot be eliminated



Employee Well-Being

Greener outdoor spaces near operational hubs



Green Infrastructure

Green roofs, shaded parking, native vegetation, and sustainable drainage systems



Renewable Energy Pathways

Solar PV on eligible hangars and rooftops, supported by renewable power purchase agreements

S of ESG



Workforce and Culture

Training, Development, and Digital Enablement



716 Employees Globally

Supported by contractors governed under the same labor and safety standards



Fair Employment Practices

Merit-based recruitment, equal opportunity and transparent workforce policies



Competency-Focused Learning

Training across safety, leadership, technical skills, and digital upskilling



Exploring AI-Driven Opportunities

Digital tools improving efficiency, accuracy, and employee productivity



Safety-First Leadership

Leadership development focused on safe decision-making and inclusive team management

Health, Safety, and Well-Being



100%

Mandatory safety training assigned across all employees in the past 12 months.



Safety Governance

Aligned with FAA, OSHA, ICAO, IATA, and CEIV standards.

Diversity, Equity, and Inclusion



DEI Policy

Formal Diversity, Equity, and Inclusion and Equal Opportunity Policy embedded in the Employee Handbook.



Zero Tolerance

Clear safeguards against discrimination and harassment, supported by grievance mechanisms.



Women in Aviation

External engagement to support representation in technical and leadership roles.



Measurable DEI Progress

Commitment to introducing DEI KPIs and targets.

Customer Health, Safety, and Satisfaction



Quality Management System

Governs cargo safety, handling, and service consistency.



CEIV-Certified Handling

Specialized certifications for pharma, live animals, perishables, and lithium batteries.



Cargo Safety and Reliability

Focused on safe handling, customer trust, and dependable service delivery.

Community Engagement and Social Investment



Humanitarian Logistics

Support for healthcare, disaster relief, and food security initiatives.



NGO Partnerships

Collaborations with Food for the Poor, Second Harvest Food Bank, and Al Noor Rehabilitation & Welfare Association.



Employee Volunteering

Community participation aligned with social impact objectives.

G of ESG



Governance Built on Ethics, Accountability, and Trust

For National Air Cargo, governance extends beyond regulatory compliance and serves as a foundation for resilience, stakeholder confidence, customer trust, and long-term business success. Through a robust governance framework, National promotes ethical conduct, accountability, transparency, and responsible decision-making across its global aviation and logistics operations, supporting sustainable value creation and operational excellence.

National's Quality Management System further strengthens this foundation by supporting cargo safety, handling consistency, service reliability, and continuous improvement across its operations. Through structured handling processes, quality controls, performance monitoring, and robust customer feedback mechanisms, National seeks to ensure the safe, secure, and reliable movement of cargo while meeting the evolving needs of its customers. By maintaining high standards of operational integrity and service delivery, National works to build and sustain customer trust, enhance stakeholder confidence, and reinforce its reputation as a dependable logistics and aviation partner.

Governance



Digital Responsibility and Governance

National maintains a comprehensive data protection, privacy, and cybersecurity governance framework designed to protect sensitive and proprietary information, manage digital and cyber risks, and support compliance with applicable laws, regulations, and industry best practices. This framework is supported through

formal policies and procedures, periodic policy reviews, internal audits, risk assessments, cybersecurity controls, incident response and business continuity planning, and oversight by dedicated governance and compliance committees. National also works to strengthen third-party risk management processes to help ensure that vendors, service providers, and business partners uphold appropriate standards for information security, data protection, and privacy.

As part of its commitment to responsible data stewardship, National seeks to ensure that personal information is collected, processed, stored, retained, and shared in a manner consistent with applicable privacy and data protection requirements. In Europe, National Air Cargo (Deutschland) GmbH operates in accordance with the principles and requirements of the European Union's General Data Protection Regulation (GDPR), including principles relating to transparency, lawfulness, fairness, purpose limitation, data minimization, accuracy, storage limitation, integrity, confidentiality, and accountability. These practices help support the protection of individual privacy rights and reinforce National's commitment to ethical and responsible data management across its global operations.

To foster a culture of responsible digital conduct, National provides regular employee training on data privacy, information security, cybersecurity awareness, ethical technology use, and role-specific compliance obligations. These programs help employees recognize and respond to evolving threats, including phishing, social engineering, data loss, and unauthorized access risks, while reinforcing accountability for the secure and responsible handling of information. Through ongoing education, awareness initiatives, monitoring activities, and continuous improvement efforts, National seeks to strengthen organizational resilience, mitigate operational, regulatory, and reputational risks, protect critical business and personal data, and support the responsible, secure, and ethical use of technology across all aspects of its operations.



Board Oversight and Sustainability Accountability

National Air Cargo's governance framework is anchored by strong board oversight, executive accountability, and disciplined operational controls. Together, these mechanisms provide oversight of strategy, safety, risk, and evolving ESG priorities, while established policies reinforce ethical business practices, integrity, anti-corruption measures, data privacy, and regulatory compliance. Supported by a private ownership structure that enables long-term stewardship, National is committed to the ongoing evolution of its governance practices, including strengthening ESG expertise, enhancing oversight processes, and supporting effective challenge and accountability across the organization.



Corporate Governance Framework

National Air Cargo's Corporate Governance Framework provides the foundation for effective oversight, accountability, and responsible decision-making across its global aviation and logistics network. As a privately held company incorporated in the United States, the Group aligns its governance practices with recognized U.S. corporate governance principles while meeting the legal and regulatory obligations of the jurisdictions in which it operates.

The framework supports ethical leadership, enterprise risk management, regulatory compliance, and operational integrity, while enabling the progressive integration of ESG considerations into strategic planning and business decision-making.

Board Structure and Composition

National Air Cargo is governed by a three-member Board of Directors, including one female director. The Board's composition reflects the Group's privately owned structure and entrepreneurial heritage, providing continuity of leadership, long-term perspective, and close alignment between ownership and strategic decision-making.

The Board currently comprises family members who are also majority shareholders, supporting a stewardship-driven approach to governance and sustainable value creation. Executive oversight of sustainability is led by the Chief Executive Officer and supported by the Global Director of Business Development, helping to integrate sustainability considerations into strategic planning, commercial activities, and operational decision-making. This governance structure promotes accountability for sustainability performance and supports the alignment of environmental, social, and business objectives across the organization.

Board Size

3 members

Gender Representation

1 female director

Leadership Approach

**Top-down accountability
aligned with strategic,
commercial, and operational
decision-making**





Sustainability Governance Structure

Sustainability Committee

Central Leadership Body for
Environmental Matters

Executive Leadership

Global Director of Business
Development, Division President, VP
of Flight Operations

Operational Leadership Support

Senior Leadership

Directors of Ground Operations,
Commercial Planning, HR,
and Quality

External Recognition and Certification

Certifications and Compliance that Strengthen Safe, Responsible Delivery

National Air Cargo's certifications and regulatory oversight mechanisms support safe operations, responsible cargo handling, environmental management, and operational transparency.



Safety and Quality

- / ISO 9001 – Quality Management Systems
- / ISO 45001 – Occupational Health and Safety Management Systems
- / IOSA – IATA Operational Safety Audit
- / IATA CEIV Certifications – Pharma, Live Animals, Fresh, and Lithium Batteries
- / FAA Part 121 Certification
- / Good Distribution Practice (GDP)



Environmental

- / ISO 14001 – Environmental Management Systems
- / IATA Environmental Assessment (IEnvA)
- / Dubai Chamber of Commerce's ESG Label



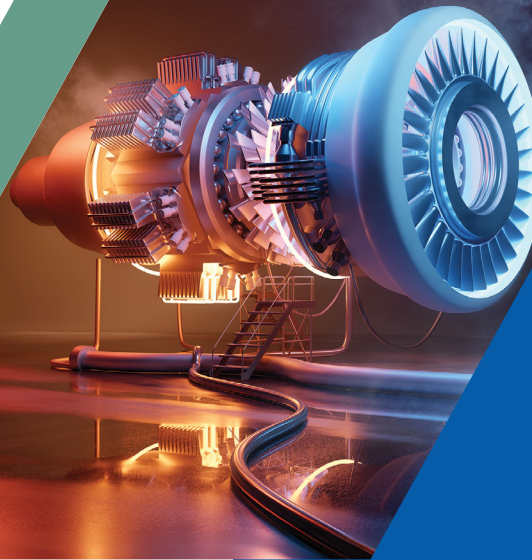
Operational Excellence

- / ISO 27001 Certification in Select Regions – Information Security Management Systems
- / CTPAT – Customs-Trade Partnership Against Terrorism
- / CARB – Commercial Airlift Review Board Program
- / CNS/ATM Compliance
- / EU GDPR (General Data Protection Regulation)

SDG 17 in Practice

Partnerships Driving Progress

National Air Cargo's sustainability strategy is aligned with United Nations Sustainable Development Goal (SDG) 17: Partnerships for the Goals, underscoring National's belief that meaningful progress in aviation and logistics is achieved through collaboration. By working closely with regulators, technology partners, suppliers, airports, industry organizations, non-governmental organizations (NGOs), and local communities, National seeks to drive innovation, strengthen operational performance, enhance data governance and digital ecosystems, and support the development of more responsible, resilient, and sustainable supply chains. These partnerships enable National to advance environmental stewardship, share knowledge and best practices, strengthen value chain resilience, and contribute to a more sustainable future for the global aviation and logistics sectors. They also support National's ability to deliver mission-critical and humanitarian logistics solutions, leveraging its global aviation and logistics capabilities to respond to time-sensitive needs, including healthcare access, disaster relief efforts, and food security initiatives. Through collaboration with NGOs, community organizations, customers, and industry partners, National extends its role beyond commercial logistics, helping to facilitate the movement of essential goods and humanitarian aid while reinforcing its commitment to creating positive social impact in the communities it serves.



Technology Collaboration

Alignment with SDG 17: Partnerships for the Goals extends to technology-driven sustainability initiatives. By collaborating with data specialists, cloud service providers, analytics partners, and aviation technology experts, National is strengthening data governance, advancing interconnected digital ecosystems, and exploring AI-enabled solutions to enhance fuel efficiency, support predictive maintenance, and improve emissions forecasting. These partnerships help drive operational innovation, enable data-informed decision-making, and support National's long-term sustainability and decarbonization objectives.

Directly Reflected SDGs



SDGs Strengthened Through Collaboration



17 PARTNERSHIPS
FOR THE GOALS



Operating Context

Air Cargo Industry: 2025 Demand Snapshot

Global air cargo demand remained resilient in early 2025, reflecting the sector's continued role in supporting international trade and supply chain connectivity amid evolving economic and geopolitical conditions (Chart 1). In March, Cargo Tonne-Kilometers (CTK) increased 4.4% year-on-year, reaching a historic peak for the month and rebounding from the modest decline experienced in February. Demand growth was observed across most regions, demonstrating the adaptability of air cargo operators and the enduring importance of air freight for time-sensitive and high-value shipments.

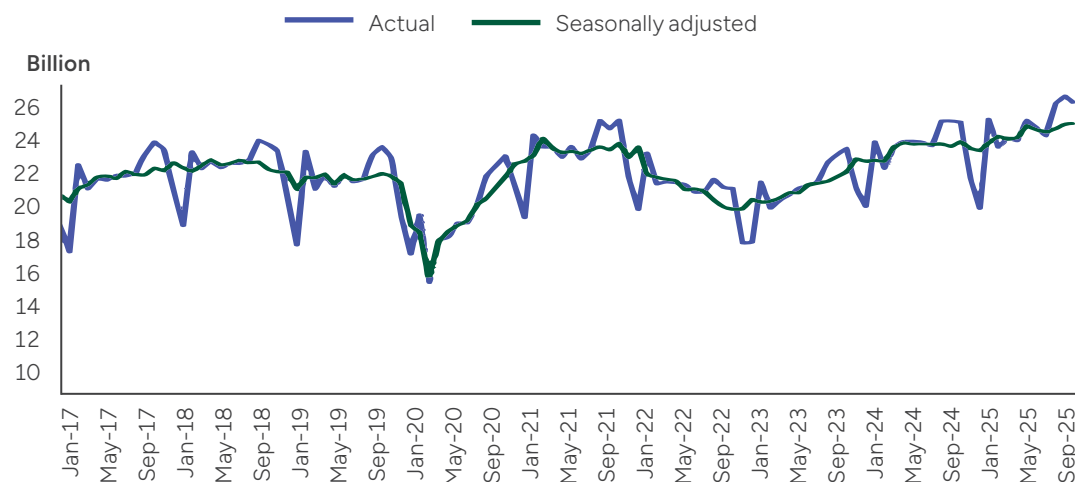
Regional performance highlighted both opportunities and challenges across the global air cargo network. Asia Pacific led growth with a 9.3% increase in cargo demand, followed by Latin America and the Caribbean at 5.6%. North American carriers rebounded with a 3.7% increase following a decline in the previous month, while European airlines reported 4.4% year-on-year growth. These results underscore the continued strength of key trade corridors and the importance of maintaining efficient and reliable logistics networks in a rapidly changing marketplace.

At the same time, market performance remained uneven across regions. The Middle East and Africa recorded declines of 3.3% and 13.4%, respectively, continuing a softer trend relative to other regions. These results reflected more challenging year-on-year comparisons following strong performance in 2024. Despite these regional variations, overall industry demand remained positive, reflecting the air cargo sector's ability to adapt to evolving trade patterns, changing customer requirements, and broader economic uncertainty.

As global supply chains continue to evolve, the air cargo industry remains an essential enabler of economic activity, supporting the movement of critical goods, e-commerce shipments, humanitarian cargo, and time-sensitive freight. The growth observed across several regions in early 2025 reinforces the sector's strategic importance and highlights the need for continued investment in operational efficiency, digital innovation, infrastructure development, and sustainable growth initiatives.



Chart 1 - Industry Cargo Tonne-Kilometers (CTK), Billion



Source: IATA *Air Cargo Market Analysis*, December 2025; underlying data from IATA Sustainability and Economics and IATA Information and Data - Monthly Statistics.

Sustainability Pressures Shaping Air Cargo

As global air cargo demand continues to grow, the industry faces increasing sustainability expectations from regulators, customers, investors, and other stakeholders. For National Air Cargo, this evolving landscape is shaped by more stringent environmental regulations, heightened scrutiny of aviation emissions, and the need to comply with emerging international and regional frameworks, including the International Civil Aviation Organization's Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the European Union Emissions Trading System (EU ETS), and the European Union's ReFuelEU Aviation Regulation, which promotes the adoption of Sustainable Aviation Fuel (SAF) across the aviation sector. These developments underscore the importance of robust compliance systems, enhanced emissions management capabilities, and alignment with globally recognized sustainability standards.

Operationally, air cargo remains an energy-intensive sector, particularly in the transportation of temperature-sensitive, pharmaceutical, and other specialized freight. Progress toward emissions reduction is further challenged by the limited availability and scalability of Sustainable Aviation Fuel (SAF), evolving infrastructure requirements, increasing expectations for supply chain transparency, and the need for more comprehensive Scope 3 emissions measurement and reporting. Addressing these challenges will require sustained investment in operational innovation, collaboration across the aviation value chain, and continued engagement with industry partners to support the sector's long-term decarbonization journey.





Sustainable Aviation Fuel: Advancing Aviation Decarbonization

While 2025 saw continued growth in global air cargo demand and measured capacity expansion, the aviation industry's long-term challenge remains the decarbonization of air transport. Given the sector's continued reliance on conventional jet fuel, the transition to Sustainable Aviation Fuel (SAF) is widely recognized as an important pathway for reducing lifecycle carbon emissions while supporting future growth.

SAF is expected to play a significant role in the industry's pathway toward net zero CO₂ emissions by 2050, with IATA estimating that it could contribute up to 65% of the emissions reductions needed to achieve this goal. Despite this potential, global SAF availability remains limited. In 2024, worldwide SAF production doubled from approximately 0.5 million tons to 1.0 million tons, representing meaningful progress but accounting for only 0.3% of global jet fuel production and 11% of global renewable fuel production. Production also fell short of the anticipated 1.5 million tons, primarily due to delays in bringing major SAF production facilities online in the United States.

Expanding SAF production capacity, strengthening supply chain infrastructure, and improving commercial accessibility will be critical to accelerating aviation's decarbonization journey. Continued collaboration among airlines, cargo operators, fuel producers, regulators, and technology providers will be essential to scaling SAF adoption and achieving the industry's long-term climate objectives.

Sources: International Air Transport Association (IATA), *Fly Net Zero*; IATA, "Disappointingly Slow Growth in SAF Production," 2024; and IATA, *Annual Review 2025*.





Navigating Industry Pressures Through Responsible Growth

While sustainability-related market shifts present operational and regulatory challenges, they also create significant opportunities to strengthen long-term competitiveness. Growing demand for lower-carbon transportation solutions, increasing customer expectations for transparent ESG performance, and the emergence of environmentally focused logistics providers are reshaping industry dynamics and purchasing decisions. As a result, sustainability is becoming not only a compliance imperative but also a strategic differentiator within the air cargo and logistics sector.

National Air Cargo is responding by advancing initiatives that support operational efficiency, responsible growth, and customer value creation. These efforts include exploring verified low-carbon service offerings, enhancing sustainability reporting and communications, strengthening stakeholder engagement, and building partnerships with organizations that share National's sustainability objectives. Collectively, these actions support stronger customer relationships while helping to align services with evolving market expectations.

Operational excellence remains a key focus area. Opportunities to improve fuel efficiency through optimized route planning, fleet and payload management, waste reduction initiatives, energy conservation measures, and the use of digital technologies for sustainability performance monitoring can contribute to both environmental and business outcomes. These initiatives help improve operational effectiveness, strengthen decision-making, and support more resilient business practices.

By proactively addressing sustainability risks and opportunities, National Air Cargo is positioning itself to enhance regulatory readiness, reduce exposure to future carbon-related costs, strengthen stakeholder trust, and support long-term business resilience. Through responsible growth and continuous improvement, National is working to create lasting value while maintaining its commitment to operational excellence and environmental stewardship.

Strategy

Turning Priorities into Progress

At National Air Cargo, sustainability is a strategic business imperative that informs how we operate, innovate, and create long-term value. With a global footprint spanning aviation and logistics, we recognize the important role we play in advancing responsible business practices, minimizing our environmental impact, supporting our workforce and communities, and enabling sustainable global commerce.

Our approach is guided by the United Nations Sustainable Development Goals (UN SDGs), which serve as a framework for aligning business performance with environmental stewardship, social responsibility, and economic resilience. Through this alignment, National Air Cargo seeks to contribute to sustainable development while strengthening the long-term resilience of its operations, stakeholders, and the global supply chains it serves.

Our Strategic Focus Areas

Efficient and Lower-Carbon Operations

1. Accelerating SAF Adoption



Managing the SAF cost premium

Proactive cost and supply chain strategies to reduce SAF price volatility and improve affordability.



Using sustainable finance

Leveraging ESG pathways, fuel efficiency improvements, and supporting infrastructure.



Accessing CORSIA benefits

Enhancing eligibility for future aviation emissions reduction benefits and supporting more sustainable operations.



Creating verified carbon attributes

Building verified aviation attributes linked to SAF use under applicable standards, with robust verification.



Introducing green cargo offerings

Differentiated green cargo options with the SAF premium embedded transparently in pricing.

2. Sustainable AOG Reduction



Sustainable ground operations

Digital innovation and efficient maintenance practices to reduce AOG events and improve aircraft availability, supporting lower emissions and improved service reliability.



Low-emission ground support

SAF transition plus electric and hybrid Ground Support Equipment (GSE) for ramp operations, with predictive maintenance and reduced fuel and energy consumption.



Real-time AOG prevention

Decision-making platforms and a cross-functional AOG Prevention Policy monitoring events, hazards, and hotspots to cut unplanned disruption.

Our Strategic Focus Areas

3. Sustainable Waste Management

National Air Cargo's sustainable waste management strategy focuses on reducing waste from operational, cargo, maintenance, and logistics activities, while improving recovery, reuse, and responsible disposal across facilities.

GRI: 103, 301, 302, 305, 306

IFRS: S1 & S2 - General Requirements and Climate-Related Disclosures



Operational and cargo waste reduction

Managing high-volume waste streams such as packaging, catering, ground equipment, and logistics materials, with emphasis on recycled, recyclable, and biodegradable materials.



Material recovery and circular use

Setting up dedicated material streams for high-value recyclables across hangars and terminals, including metals, plastics, wood pallets, and tires.



Pallet reuse and tire recovery

Implementing pallet reuse and repair practices, and using tire retreading and recycling programs to extend material life and recover rubber at end-of-life.



Supplier-led circularity

Introducing supplier requirements for operational materials such as strapping and labels to offer closed-loop solutions or use 100% recycled content.



Maintenance and hazardous waste control

Managing aircraft and Ground Support Equipment (GSE) waste through oil and fluid recycling, safer solvent alternatives, part repair over replacement, and controlled battery recycling through licensed hazardous waste specialists.



Clear segregation systems

Using standardized color-coded bins, graphics, and clear labeling across facilities to improve sorting consistency and reduce contamination across multilingual teams.

Key metrics to track

- / Total waste generated by category
- / Waste diverted from landfill
- / Recycling rate
- / Recycled / recyclable material use

- / Pallets reused or repaired
- / Tires retreaded or recycled
- / Used oil and fluids recycled
- / Hazardous waste safely handled

- / Batteries recycled through licensed vendors
- / Facilities with standardized color-coded bins



Safe, Skilled, and Inclusive Workforce

National Air Cargo's workforce strategy focuses on building a safe, capable and inclusive organization that can support the demands of a global aviation and logistics business. The approach is anchored in safety culture, competency development, fair employment practices, employee well-being and respect for human rights across employees, contractors, and operational partners.

Strategic Focus Areas

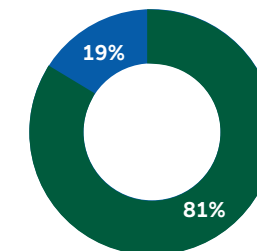


Workforce and Fair Employment

National Air Cargo is focused on maintaining merit-based recruitment, equal opportunity, and transparent employment practices across its global workforce. Contractors supporting operations are expected to follow the same labor and safety standards as direct employees, helping ensure consistent workforce protections across the operating model. National currently employs 716 employees globally.

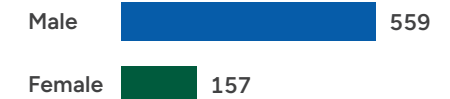
Workforce Composition

Global Headcount Split



■ U.S. Workforce: 579
■ Int'l Workforce: 137

Gender Split



👥 | Total Employees: 716

Fatigue Risk Management and Crew Well-Being

Crew fatigue is a critical aviation safety risk with implications for operational performance, passenger safety, and regulatory compliance. National Air Cargo manages fatigue and shift-related risks through a coordinated framework led by the Safety Department and supported by Flight Operations, Inflight Services, and Maintenance teams.

The approach includes monitoring flight schedules and crew duty hours, maintaining clear reporting channels for fatigue-related concerns, and integrating fatigue risk considerations into the Safety Management System (SMS). Ongoing fatigue awareness training and a non-retaliatory reporting culture help enable timely intervention, continuous improvement, and stronger crew well-being.



Safety Culture and Operational Well-Being

Safety remains central to workforce performance. National Air Cargo's approach includes mandatory safety training, Safety Management System alignment, fatigue risk management, incident reporting, and Just Culture principles. This supports safer operations, employee well-being and stronger operational reliability. Mandatory safety training recorded 100% assignment across employees in the past 12 months.

Training, Development, and Digital Enablement

National Air Cargo is committed to strengthening workforce capability through competency-based learning and professional development across key areas, including safety, technical proficiency, leadership, regulatory compliance, and digital skills. Training is delivered through digital learning platforms such as CPaT and KnowBe4, enabling continuous education, effective policy communication, and systematic tracking of training completion and performance. As part of our ESG roadmap, we also plan to expand sustainability-focused training programs across the organization to enhance employee awareness, build internal capabilities, and embed sustainability considerations into day-to-day decision-making and business operations.

Diversity, Equity, and Inclusion

National Air Cargo is advancing an inclusive and equitable workplace through the implementation of its Diversity, Equity, Inclusion, and Equal Opportunity Policy, inclusive recruitment practices, accessible grievance mechanisms, and a zero-tolerance approach to discrimination, harassment, and retaliation. We are committed to fostering a culture where all employees are respected, valued, and empowered to contribute and succeed.

Our engagement with organizations such as Women in Aviation supports the development of diverse talent pipelines and helps advance representation in technical, operational, and leadership roles across the organization. To further strengthen accountability and measure progress, National Air Cargo plans to establish Diversity, Equity, and Inclusion (DEI) goals and key performance indicators (KPIs) that support continuous improvement and foster a more inclusive workplace.

Human Rights and Labor Practices

National Air Cargo is committed to upholding human rights and labor rights across its operations and value chain. This commitment is supported through workforce training, accessible grievance, and whistleblowing mechanisms, contractor oversight processes, and alignment with internationally recognized frameworks, including the International Labor Organization (ILO) Core Conventions, the United Nations Global Compact Principles, and aviation industry best practices.

These measures help promote ethical business conduct, fair labor practices, safe and healthy working conditions, and respect for the rights and dignity of all workers. They also provide employees and contractors with clear, confidential, and accessible channels for raising concerns, fostering a culture of accountability, transparency, and continuous improvement.

GRI: 401, 403, 404, 405, 406, 410

IFRS: S1 & S2 - General Requirements and Climate-Related Disclosures



Key metrics to track

- / Total workforce: 716 employees
- / U.S. workforce: 579 employees
- / International workforce: 137 employees
- / Gender split: 559 male | 157 female
- / Contractor workforce: 20 contractors governed by the same labor and workplace standards
- / 100% safety assignment rate
- / Framework alignment
- / Number of occupational job injury (OJI) incidents / lost-time incidents
- / LTIFR, once standardized
- / Fatigue-related reports and corrective actions
- / Training hours by category
- / Employees covered by digital learning platforms
- / DEI representation metrics
- / DEI KPIs and targets introduced
- / Grievance/whistleblowing cases resolved
- / Sustainability training rollout coverage
- / Regional sustainability training introduced

Future-Ready Aviation Ecosystem

National Air Cargo's future-ready aviation ecosystem is built on a foundation of operational reliability, specialized cargo expertise, digital innovation, customer trust, and strategic partnerships. Our focus is on strengthening the systems, certifications, technologies, and collaborative relationships that enable safe, responsive, and responsible logistics across complex global supply chains. By continuously enhancing these capabilities, we aim to improve service resilience, support sustainable growth, and create long-term value for customers, partners, and the communities we serve.

Strategic Focus Areas



Digital and AI-Enabled Operations

National Air Cargo is advancing its digital ecosystem to enhance operational efficiency, reduce resource consumption, and deliver innovative customer solutions. Through platforms such as LOGIX, and in collaboration with data specialists, cloud service providers, analytics partners, and aviation technology experts, we are strengthening data governance, improving system integration, and enabling more connected, data-driven operational workflows.

As our digital capabilities continue to evolve, National Air Cargo is also evaluating emerging technologies that can support our sustainability and operational objectives. This includes exploring the potential of AI-enabled solutions to optimize fuel consumption, improve emissions forecasting, and drive more informed decision-making across our operations. By leveraging digital innovation, we aim to improve operational performance, support long-term decarbonization efforts, and create greater value for customers and stakeholders.



Certified Specialized Cargo Handling

Specialized cargo capabilities are a core component of National Air Cargo's future-ready operating model. Through adherence to internationally recognized standards and participation in IATA's Center of Excellence for Independent Validators (CEIV) programs, including CEIV Pharma, CEIV Live Animals, CEIV Fresh, and CEIV Lithium Batteries, we enhance the safe, secure, compliant, and efficient handling of sensitive and specialized cargo. These programs strengthen operational excellence, support regulatory compliance, and reinforce customer confidence in the integrity and reliability of our services.

In addition, our commitment to responsible cargo transportation is supported by compliance with IATA Live Animals Regulations (LAR) and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Together, these measures help prevent the transport of endangered species and illegal wildlife products, support biodiversity conservation, and advance responsible logistics practices across our global operations.

Risk Management



Managing Risk for Safer, More Resilient Operations

National Air Cargo operates in a complex, safety-critical, and globally regulated aviation and logistics environment. The nature of air cargo operations, often conducted across multiple jurisdictions and involving government, defense, humanitarian, and commercial stakeholders, makes robust risk management and internal controls essential to business resilience.



Risk Management Approach

Risk is inherent in aviation and logistics, where operational, regulatory, and safety considerations carry significant consequences. National Air Cargo's risk management practices are primarily operationally driven, with a focus on safety, regulatory compliance and mission-critical execution.

At present, risks and opportunities are not captured within a single, formalized enterprise-wide risk management framework. National Air Cargo is therefore working toward a more integrated approach by progressively incorporating identified risks and opportunities into the Risk Management Register and aligning them with its Sustainability Program. This will support a clearer view of operational, environmental, and ESG-related risks across the business.

Key Risks and Mitigation Measures

 Risk Category	 Description	 Mitigation Measure
Safety Risks	Risks associated with aircraft operations, maintenance, crew safety, and ground handling.	Maintain aviation safety controls through regulatory compliance, maintenance oversight, crew training, audits, and operational safety procedures.
Brand and Reputation Risks	Risks associated with business practices, sustainability matters, or stakeholder expectations that may influence trust, confidence, and perceptions.	Promote responsible business practices, stakeholder engagement, and transparent communication to help protect brand reputation and stakeholder trust.
Supply Chain Risks	Dependency on third-party suppliers, MRO providers, fuel suppliers, and logistics partners.	Strengthen supplier due diligence, contractual controls, MRO oversight, sustainability requirements, and partner performance reviews.
Operational Risks	Disruptions to flight operations, infrastructure availability, or operational processes.	Build operational resilience through contingency planning, route and payload optimization, infrastructure readiness, and business continuity planning.
Financial Risks	Exposure to fuel price volatility, currency fluctuations, financing arrangements, and capital expenditure.	Monitor fuel, currency and capital exposure through financial planning, cost efficiency initiatives, and disciplined investment decisions.
Cyber Risks	Threats to information systems, operational technology, and data security.	Strengthen cybersecurity governance, access controls, continuous monitoring, employee training, and incident response readiness.
Regulatory Risks	Compliance risks associated with aviation authorities, customs, security, and international regulations.	Maintain compliance with aviation, customs, security, and environmental regulations through audits, certifications, and regulatory monitoring.
Environmental Risks	Risks related to emissions, environmental compliance, climate change, and sustainability expectations.	Advance fleet efficiency, emissions tracking, SAF exploration, environmental compliance, and sustainability data systems.
Climate-Related Transition Risks	Risks associated with evolving carbon regulation, fuel pricing, and customer expectations.	Manage through CORSIA compliance, disclosure readiness, ESG-linked procurement, fleet efficiency, and lower-carbon service options.
Climate-Related Physical Risks	Physical risks include extreme weather and operational disruptions.	Manage through operational resilience planning, infrastructure preparedness, and contingency response mechanisms.



Cybersecurity Incident Management and Response

National Air Cargo maintains a structured approach to cybersecurity incident management through its Incident Response Policy (IT-US-016) and the supporting Cyber Incident Response Plan (CIRP). Together, these frameworks establish the procedures for identifying, monitoring, investigating, escalating, and responding to cybersecurity incidents and potential data breaches across the organization.

The CIRP outlines clearly defined roles, responsibilities, and response protocols, including requirements for incident containment, recovery, internal escalation, and external notification. Reporting obligations are evaluated based on the nature, severity, and regulatory implications of each incident, with procedures in place to ensure timely engagement with the appropriate regulatory authorities, external agencies, and other relevant stakeholders when required.

By maintaining a formal incident response framework, National Air Cargo strengthens its ability to manage cybersecurity risks, support operational resilience, protect sensitive information, and uphold stakeholder trust in an increasingly digital operating environment.



Cybersecurity and Data Privacy Risk Management

National Air Cargo actively monitors and addresses emerging cybersecurity and data privacy risks associated with an increasingly digital and interconnected business environment. Key areas of focus include evolving cyber threats, the responsible use of emerging technologies, growing data volumes, and compliance with an expanding landscape of global privacy regulations.

Cybersecurity risks are identified and evaluated through a combination of internal risk assessments, data classification processes, and ongoing monitoring of critical systems, including those subject to Transportation Security Administration (TSA) and Federal Aviation Administration (FAA) requirements. Responsibility for cybersecurity and data privacy is embedded throughout the organization. All employees are expected to adhere to information security policies and practices relevant to their roles, while dedicated cybersecurity, compliance, and information technology teams provide strategic oversight and support.

To strengthen regulatory compliance and maintain awareness of emerging requirements, National Air Cargo engages an independent third-party provider to monitor developments in data privacy laws and regulations across applicable jurisdictions. National has also achieved ISO 27001 certification in select regions and maintains compliance with relevant U.S. Department of Defense cybersecurity requirements, including DFARS 252.204-7012.

In support of continuous improvement, National Air Cargo is preparing for future Cybersecurity Maturity Model Certification (CMMC) requirements while maintaining cybersecurity oversight in accordance with TSA Joint EA 23-01 and applicable FAA regulations. Through these efforts, National seeks to strengthen cyber resilience, protect sensitive information, and maintain stakeholder trust in an evolving threat landscape.



Looking Ahead

Building Readiness for IFRS-Aligned Disclosure

National Air Cargo has prepared this report with reference to IFRS S1, General Requirements for Disclosure of Sustainability-Related Financial Information, and IFRS S2, Climate-Related Disclosures. As National continues to advance its sustainability reporting framework, full alignment with these standards has not yet been formally assessed. Looking ahead, National is committed to strengthening its sustainability governance, risk management, and performance disclosures in accordance with evolving IFRS sustainability requirements. Achieving this will require enhanced access to financial data, more robust data collection processes, and greater integration between sustainability and financial reporting. These efforts will support more decision-useful disclosures and enhance preparedness for evolving regulatory and stakeholder expectations.

Tracking Emerging Global Reporting Expectations

National Air Cargo recognizes that sustainability disclosure expectations continue to evolve across global markets. In addition to advancing readiness for IFRS S1 and IFRS S2, National remains attentive to emerging reporting frameworks and regulatory developments, including the European Sustainability Reporting Standards (ESRS) and the Corporate Sustainability Reporting Directive (CSRD). By proactively monitoring these evolving requirements, National is enhancing its reporting capabilities, data governance, and management processes to support greater transparency and accountability. This forward-looking approach strengthens National's ability to meet future stakeholder expectations, respond to regulatory developments, and support long-term business resilience.

Glossary of Key Terms and Acronyms

Term / Acronym

Full Form

3PL	Third-Party Logistics
AFA	Airforwarders Association
AOG	Aircraft on Ground
CAEP	Committee on Aviation Environmental Protection
CARB	Commercial Airlift Review Board
CEIV	Center of Excellence for Independent Validators
CIRP	Cyber Incident Response Plan
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CMMC	Cybersecurity Maturity Model Certification
CNS/ATM	Communication, Navigation, Surveillance / Air Traffic Management
CORSIA	Carbon Offsetting and Reduction Scheme for International Aviation
CPaT	CPaT GLOBAL, LLC
CSRD	Corporate Sustainability Reporting Directive
CTK	Cargo Ton Kilometers
CTPAT	Customs-Trade Partnership Against Terrorism
DEI	Diversity, Equity, and Inclusion
DFARS 252.204-7012	Defense Federal Acquisition Regulation Supplement clause
ESG	Environmental, Social, and Governance
ESRS	European Sustainability Reporting Standards
EU ETS	European Union Emissions Trading System
FAA	Federal Aviation Administration
GDP	Good Distribution Practice
GDPR	General Data Protection Regulation
GHG	Greenhouse Gas
GLEC Framework	Global Logistics Emissions Council Framework
GRI	Global Reporting Initiative
GSE	Ground Support Equipment
HVAC	Heating, Ventilation, and Air Conditioning
IATA	International Air Transport Association

Term / Acronym

Full Form

ICAO	International Civil Aviation Organization
IEnvA	IATA Environmental Assessment
IFRS S1	General Requirements for Disclosure of Sustainability-Related Financial Information
IFRS S2	Climate-Related Disclosures
ILO	International Labor Organization
IOSA	IATA Operational Safety Audit
ISO	International Organization for Standardization
ISO 9001	Quality Management Systems
ISO 14001	Environmental Management Systems
ISO 27001	Information Security Management Systems
ISO 45001	Occupational Health and Safety Management Systems
ISP	Integrated Sustainability Program
KPI	Key Performance Indicator
LAR	Live Animals Regulations
LOGIX	National Air Cargo digital platform
LTIFR	Lost Time Injury Frequency Rate
MRO	Maintenance, Repair, and Overhaul
NOx	Nitrogen Oxides
OJI	Occupational Job Injury
OSHA	Occupational Safety and Health Administration
PPA	Power Purchase Agreement
QC2	Quota Count 2 (noise classification)
ReFuelEU	ReFuelEU Aviation Regulation
SAF	Sustainable Aviation Fuel
SBTi	Science Based Targets initiative
Scope 1	Direct emissions
Scope 2	Indirect emissions from purchased energy
Scope 3	Other indirect value-chain emissions
SDGs	United Nations Sustainable Development Goals
SMS	Safety Management System
TNFD	Taskforce on Nature-Related Financial Disclosures
TSA	Transportation Security Administration



We Deliver The World

NATIONAL
www.nationalairlines.com

NATIONAL
WE DELIVER THE WORLD

www.GoNational.com