

Jet Support Services, Inc. (JSSI)

Climate-Related Risk and Opportunity Report

Aligned with 2017 TCFD Recommendations & California SB 261

Executive Summary

Jet Support Services, Inc. (“JSSI”) is a leading independent provider of maintenance support, advisory services, software, and financial tools for the global business aviation industry. Founded in 1989 and headquartered in Chicago, we support more than 6,000 aircraft across maintenance programs and software platforms, leveraging three decades of operational data to reduce lifecycle costs and improve aircraft availability for clients worldwide.

We operate at scale across Maintenance Programs, Parts & Leasing, software solutions (Traxxall and Conklin & de Decker), Advisory Services, and Aviation Capital.

This disclosure provides an assessment of climate-related risks and opportunities in alignment with the 2017 Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations and California Senate Bill 261 (SB 261). It summarizes our current governance, strategy, risk management, and metrics and targets.

Governance

Board Oversight

Our Board has oversight of climate-related risks and opportunities, and climate topics are brought forward on an as-needed basis. Climate considerations may influence Board-level decisions where they are significant to financial performance, including cost and profitability impacts. For example, in 2021, the Board approved an initiative to partner with a sustainable fuel provider as part of our broader consideration of climate transition dynamics in business aviation. Directors and employees have access to voluntary climate training through our learning management platform if they wish.

Management’s Role

Day-to-day coordination of climate-related risks and opportunities is led by our Legal function, with the General Counsel serving as executive sponsor and primary liaison to the Board. Our Marketing team monitors market developments related to climate action and potential opportunities for investment and engagement, while IT management supports operational

resilience, including data centers, and escalates material issues for broader consideration. This cross functional management team monitors climate-related operational risks such as severe weather and heat exposure and assesses risks and opportunities as necessary, including in response to evolving compliance obligations such as California Senate Bill 261 (“SB 261”). Looking ahead, we are evaluating the establishment of an internal sustainability task force that we expect would include Legal, IT/technology, Sales, HR, Marketing, and other relevant functions. The taskforce would serve to formalize cross-functional integration of climate considerations within enterprise operations and decision-making.

Strategy

We plan and allocate resources on one, three, and five-year horizons for enterprise decisions, while climate-related risks and opportunities are currently assessed as issues emerge. Given that certain climate-related risks may manifest over an extended period, we have considered a longer-term time horizon for our physical risk assessment and qualitative review of the impact of the climate transition.

Physical Risks and Business Impact

To complement our qualitative risk identification, we conducted a physical climate risk assessment using First Street Foundation’s risk modeling, under the SSP2 “Middle of the Road” scenario, across both current (2025) and long-term (2055, 30-year outlook) timeframes. Risks were evaluated for 1% annual probability (100-year event) across our physical footprint.

Based on the First Street risk assessment, we believe our physical risk exposures are localized, with our efforts focused on limiting the potential impact of physical climate events to our maintenance operations and warehouses. The model reveals potential exposure to coastal wind, storm surge and extreme heat, concentrated in the Gulf Coast and Southeast Atlantic region of the United States, along with our office in the Philippines. Hurricanes can also interrupt airport access and disrupt maintenance schedules. Our primary focus would be on potential damage to our client’s airplanes and ensuing increased maintenance costs to repair damage.

Persistent heat would elevate cooling loads for offices and parts warehousing, which would increase utility spend, and necessitate enhanced heat-safety protocols for staff. More broadly, we have seen that increased and more prolonged periods of heat in certain parts of the world where our clients’ aircrafts may be based results in additional damage to engines, requiring more maintenance and repair.

The First Street analysis shows regional concentration of these risks rather than portfolio-wide risk; however, we continue to integrate these risk factors into decisions that we make across the company.

As an aircraft maintenance service provider operating within the aerospace supply chain, we face climate-related supply-chain disruption risks that may significantly affect our operations, financial results and service commitments. These risks include physical climate impacts such as extreme weather events, such as wildfires, severe storms, and flooding, or regional droughts that may impair key Maintenance Repair and Overhaul facilities, OEM parts manufacturers, distribution hubs or transportation infrastructure, leading to delayed delivery of critical components (engines, avionics, airframe parts) and increased lead times or costs.

Transition Risks and Business Impact

Policy and Regulatory Risks

We anticipate being subject to evolving climate disclosure requirements as well as shifting regulatory regimes with regards to the aviation industry as a result of the climate transition. We continue to monitor emerging rules in the jurisdictions where we operate, including the European Union, where we may be required to calculate and disclose our greenhouse gas emissions, or take additional steps to comply with climate-related disclosure requirements.

Technology Risks and Opportunities

One of the primary climate transition technologies currently changing the aviation industry is sustainable aviation fuel (SAF). Adoption of SAF is not expected to adversely affect our service model as an aircraft maintenance service provider. Instead, SAF presents opportunities for JSSI to support clients' decarbonization objectives by facilitating access to SAF and fuel-based offsets via our partner network. Over a longer time horizon, propulsion changes (e.g., electric-based engines) could alter our maintenance profiles. We anticipate adapting, as necessary, through technician training, updated service offerings, and integration of new sourcing channels for parts. Our software supports client emissions tracking, positioning us to provide data-enabled services as our clients require more emissions management capabilities.

Market Risks and Opportunities

Client demand for emissions reduction initiatives in the business aviation industry and JSSI's desire to offer new innovative solutions led us to partner with Avfuel in 2021 to respond to industry pressure to move toward SAF and to enable us to purchase bulk carbon-offsets. We also invest alongside partners pursuing alternative sustainable aviation fuels (e.g., carbon-conversion pathways). At the same time, our revenue model is linked to customer flight hours.

As a result, a structural decline in business aviation flight activity due to climate transition dynamics would negatively affect utilization-based revenues. Supply-chain transitions including changing material availability and supplier shifts required to adopt decarbonization efforts could lead to supplier consolidation, reduced competition, and as a result, could increase prices or cause parts obsolescence. Given the global supplier network required for aerospace maintenance, any disruption at a first or second-tier supplier propagates down to our operations, potentially forcing aircraft out-of-service, contractual penalties, or increased inventory storage costs. We find these supply-chain risks both plausible and potentially significant to our business strategy, cost base, and operational resilience.

Resiliency

To build resiliency for the physical risks discussed above, we incorporate location-specific climate considerations when developing maintenance contracts for clients. This allows us to account for the effects such as extreme heat associated with the home base of some of the aircraft we service and adapt to increased maintenance requirements.

We also mitigate physical climate-related risk via insurance including workers' compensation for heat risk, umbrella policies for parts in care/custody/control and goods in transit in case of climate-related events, as well as aviation liability, where applicable. We are also developing an IT environmental-disaster-recovery / business-continuity program for climate-related events under our current IT recovery policies, and a Crisis Preparedness Policy to sustain critical operations during natural disaster disruptions.

We are preparing for the climate transition through our parts-and-leasing circularity program (40+ aircraft part-outs since 2018, returning 600-1,200 components per aircraft to the serviceable market and recycling airframes), and by donating ~2,000 end-of-life components to A&P schools to avoid landfill and support workforce development.

We also diversify geographic supply sourcing where possible in order to minimize risks in our supply chain and create redundancies in case of climate-related events adversely impacting our suppliers' ability to fulfill our orders.

To ensure we are well positioned to take advantage of changing market dynamics as a result of the climate transition, we have diversified our client-facing offerings to include our software that enables emissions tracking, SAF engagement, and optional offsets via Avfuel.

Risk Management

Identification, Assessment, and Management of Risks

We identify and assess climate-related risks through periodic cross-functional reviews across Compliance, Legal, Operations, Supply Chain, and Client Services teams and elevate issues when warranted. These evaluations consider likelihood, magnitude, and financial/operational impact of the risk, informed by client feedback and renewal rates, where pricing reflects geographic or weather-related drivers. Management actions include mitigation via transfer of risk via insurance programs, contract structures indexed to location/climate exposure, as well as acceptance of risk (where residual risk is considered manageable without intervention or short-lived), and operational controls such as business continuity planning, IT disaster recovery, supplier diversification, and inventory strategy described above.

Integration with Enterprise Risk Management

Climate-related risks are addressed by applying the same governance principles as other financial and operational risks within our business. Our risk management decision-making process focuses on client retention impacts, cost trends (maintenance, logistics), and geographic exposure. We are evaluating formalizing this integration by establishing a cross-functional sustainability task force to standardize assessment cadence, controls, and reporting within our ERM processes.

Metrics & Targets

Metrics Used

We do not maintain formal quantitative climate metrics at this time. However, we monitor operational and financial indicators relevant to climate exposure, such as supply-chain stability, facility energy use at key locations, and regulatory developments.

In addition, we track customer participation in our offset program. As of 2024, our clients have purchased carbon credits via Avfuel to offset 3,390 flight hours reported under our hourly cost maintenance programs. These totals reflect credits applied to maintenance contracts and hours explicitly reported as offset; they exclude credits retired independently outside our reporting process. We also participate in our own offset program for employee business travel.

Looking ahead, we are evaluating a measurable indicator set aligned to our ERM and will disclose baselines and year-over-year performance once established.

Targets and Progress

We are assessing climate targets for our Parts business and if pursued, we will integrate those targets into future reporting cycles.

CAUTIONARY STATEMENT

NO PRESUMPTION OF MATERIALITY

This report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to comply with California's SB 261. It is intended to provide information regarding potential climate-related financial risks that the company may face. The risks and statements described herein are based on current knowledge, assumptions, and available data as of the date of publication.

Nothing in this document is intended to imply, nor should it be construed to indicate, that any specific risk or statement discussed is financially material to the company. The identification or discussion of any particular risk does not constitute an admission or representation regarding its materiality, probability, or potential impact under applicable securities laws or accounting standards. Readers are cautioned not to place undue reliance on forward-looking statements or scenario analyses, which are subject to inherent uncertainties.

The company undertakes no obligation to update any information contained in this report except as required by law.