



Sustainability Report 2024

 **Airport
Associates**
-at your service!

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An aerial photograph of an airport facility. In the foreground, a large white cargo building with a grey roof is visible, featuring the 'Airport Associates' logo. Numerous ground support vehicles, including baggage carts and trucks, are parked along the side of the building. To the left, a long parking lot is filled with cars. In the background, there are several white storage tanks and more airport buildings. A yellow graphic overlay, consisting of a curved line and two 'X' marks, is drawn across the right side of the image. A yellow rectangular box is positioned at the bottom center, containing the text '1. Introduction'.

1. Introduction

Letter from the CEO

It is a great pleasure to present Airport Associates' first sustainability report, covering the year 2024. This report marks a significant step for our company as we adopt a more structured and transparent approach to environmental, social, and governance (ESG) matters. The report has been prepared in accordance with the Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME), following a double materiality assessment conducted at the beginning of 2025.

Sustainability is not a new topic for us, but it has become increasingly central to our daily operations. In recent years, we have made deliberate efforts to reduce our environmental footprint, including a near elimination of paper use, replacing oil heaters with geothermal water to heat de-icing fluids, the gradual introduction of electric ground handling equipment and vehicles, and improvements in waste sorting and recycling. These initiatives reflect our commitment to operating responsibly while maintaining the highest standards of ground handling services.

Our people are at the heart of everything we do. As a multicultural company, we take pride in supporting colleagues of diverse backgrounds, for example, by offering Icelandic language courses to employees of foreign origin. Their dedication, combined with the expertise of our management team, enables us to live up to our core values of safety, reliability, and flexibility every day.

Operating at Keflavík International Airport requires resilience and adaptability. Weather conditions can be challenging, and flight traffic volumes fluctuate from year to year, yet Airport Associates has consistently delivered strong results. In fact, the past years have been among the best in our company's history, further strengthening our position as a leading ground handling company at the airport.

Looking forward, we will continue to develop our sustainability agenda. A key goal is to improve our standing in the ESG rating conducted yearly by Reitun (see appendix), building on the progress we have already made since 2022. This report is not only a reflection of past achievements, but also a promise: Airport Associates is committed to growth that is responsible, resilient, and sustainable.

Sigpór Kristinn Skúlason

— CEO, Airport Associates

Introduction

Sustainability Report

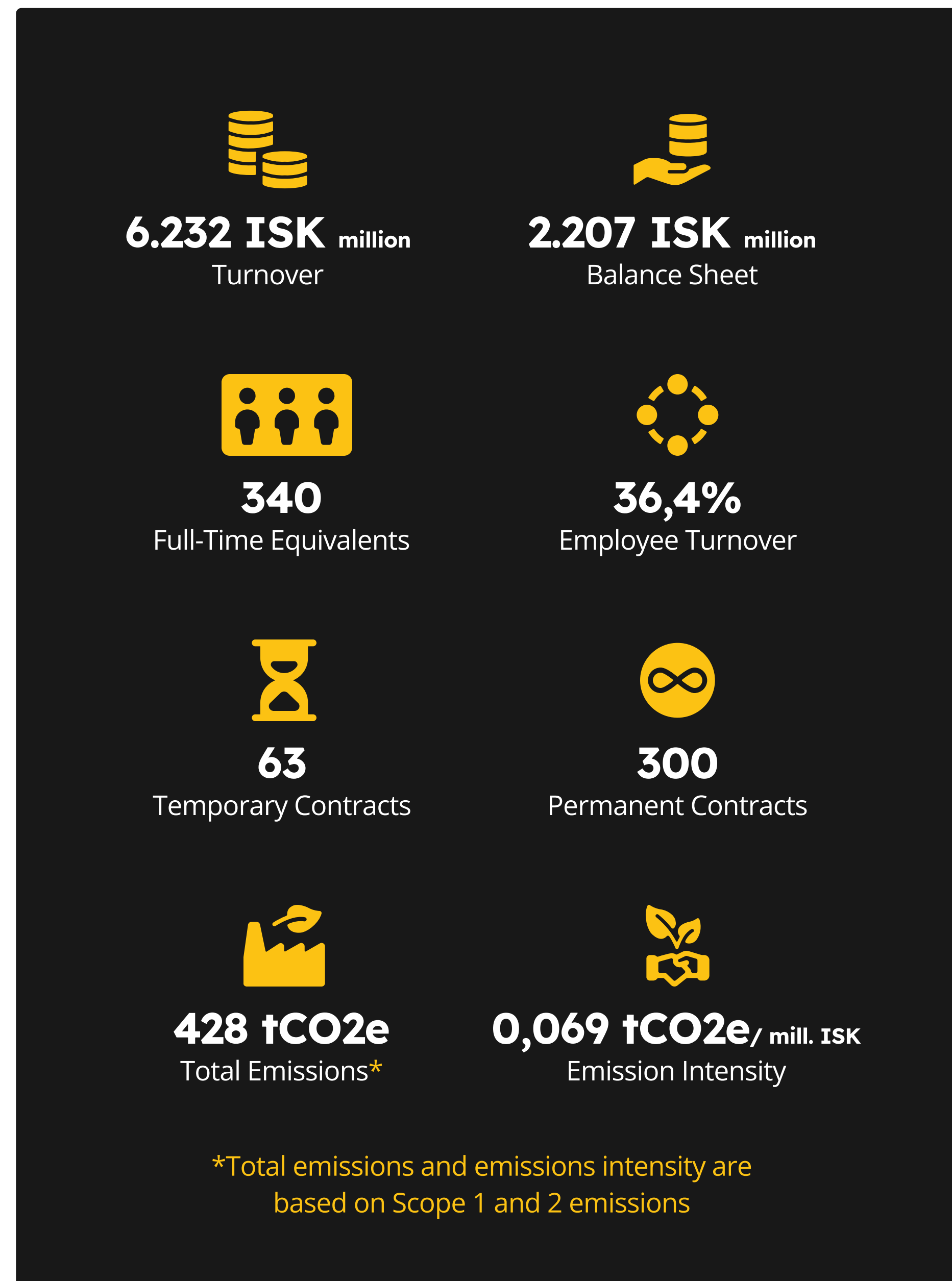
Airport Associates operates at Keflavík Airport, primarily providing services to passenger, military, and cargo aircrafts, such as aircraft loading and other ramp services, passenger check-in, load control, cargo warehouse operation and all other aspects of aircraft ground handling.

The company's core values are **safety, reliability, and flexibility**.

The 2024 Sustainability Report of Airport Associates is the company's first such publication. In early 2025, a double materiality assessment was conducted through a workshop with Airport Associates' management and specialists. An impact, risk, and opportunity assessment of sustainability topics was conducted. The outcome of that assessment was used in the preparation of the report along with the optional sustainability standard for small and medium-sized enterprises (VSME).

Information will be presented in accordance with the basic template of the VSME standard (Basic Module). References to the requirements of the standard can be found in the relevant sections of the report.

The report is limited to the operations of Airport Associates, and further information about the company's activities can be found on the [Airport Associates website](#).





2. Sustainability

Sustainability

Double Materiality Assessment

A double materiality assessment was carried out in March and April 2025. The process was conducted following a workshop with Airport Associates' management and specialists in February 2025, where proposals for sustainability topics were presented based on the company's priority areas. In total, 19 topics were presented which were then reviewed and approved by the CEO. Following this, workshops were held where an impact, risk, and opportunity assessment was carried out for the topics and each was assigned a materiality rating.

In addition, based on external priorities, it was assessed that emphasis should be placed on the Codes of Conduct for suppliers and employees, as well as ensuring cybersecurity and data management



Sustainability

Policies

Airport Associates has the following policies related to sustainability:

- Sustainability Policy
- Environmental Policy
- Quality, Safety and Security Policy
- Work Health and Safety Policy
- Policy and Action Plan on Bullying
- Training Policy
- Absence/Attendance Policy
- Equal Pay Policy
- Employee Code of Conduct
- Supplier Code of Conduct



Goals for 2025



Sustainability

Conduct a double materiality assessment

Publish a Sustainability Report in line with the VSME standard

Improve ESG rating from Reitun: from C1 to B3



Environment

Increase charging stations for employees and customers

Ensure that at least 50% of all new ground handling equipment purchased is electric.

Measure and disclose direct and indirect carbon emissions in the Sustainability Report

Reduce emissions intensity (Scope 1 and 2) by 5%

Provide clearer information to employees to support effective waste sorting



Social

Maintain employee satisfaction above 75%

Gender pay equality – no unexplained pay gap, maximum deviation not exceeding 3%

Improve working conditions in the warehouse and maintenance workshop

Provide diversity training for managers

Offer all employees first aid training

Provide Icelandic language courses for employees



Governance

Introduce the Code of Conduct to employees

Introduce the Supplier Code of Conduct to suppliers

3. Environment

Environment

Climate Change Mitigation

Climate change has an undeniable impact on the operations of Airport Associates and moving forward we will continue our efforts to reduce greenhouse gas (GHG) emissions from our activities. These emissions primarily originate from de-icing fluids, vehicles and other equipment.

To achieve this, we must address both direct and indirect emissions. We therefore measure total emissions in accordance with the GHG Protocol, covering Scope 1 and Scope 2 (direct emissions). Regarding Scope 3 (indirect emissions), we are currently focusing on Category 5 (waste generated in operations) and Category 11 (use of sold services, which is de-icing fluid).

The long-term objective is to gradually expand the scope of our reporting to provide a more complete picture of the company's total carbon footprint.

Total Emissions (tCO ₂ e)	
Scope 1	401.3
Fuel	401.3
Scope 2	26.6
Electricity	7.2
Heating	19.4
Scope 3	598.0
CAT 5 – Waste generated in operations	124.4
CAT 11 – Use of sold services	473.6
.....	
Total Emissions	1025.9

Environment

Energy

Airport Associates has sought to select electric-powered equipment when replacing fossil fuel-based machinery and will continue this transition. This contributes to reducing emissions while also lowering maintenance needs and operating costs.

Of 116 ground service equipment, 52.6% are electric, and of the company's 18 vehicles, 4 are electric (22.2%). In total, 48.5% of all equipment currently operates on electricity.

 Electricity	MWh
Electricity consumption	839
 Heating	m ³
Hot water	44718



Environment

De-icing and Environmental Impact

A major environmental aspect of our operations relates to the de-icing of aircrafts. To reduce the negative environmental impact of the de-icing process, the company has replaced oil heaters with geothermal heating in the de-icing fluid heating process.

After use, de-icing fluids are collected in retention ponds where, to some extent, they can be treated. If dedicated de-icing pads were built, fluids could be collected immediately after use for more effective treatment. Airport Associates' management has advocated with ISAVIA, which is responsible for infrastructure, to implement such a solution. As part of ISAVIA's development plan, construction of a dedicated de-icing pad is planned for 2030.

Through the system Avtura, we monitor and optimize the de-icing process and adapt the use of fluids and fluid mixtures to varying weather conditions. This approach helps us use de-icing fluids more efficiently and to accurately measure water consumption and fluid use, which is reported as part of Scope 3 emissions.

Environment

Circular Economy and Waste Management

Waste generated through the services of Airport Associates is always delivered to appropriate facilities in accordance with applicable regulations. A large portion of the waste, around 64%, originates from our customers aircraft and cannot be sorted according to legislation and must therefore be sent for incineration. The remaining 36% of waste comes from the company's own operations, of which 46% is recycled.

At Airport Associates, waste is sorted into appropriate categories such as bottles, plastic, cardboard, general waste, and organic waste. Targeted efforts have been made to relabel bins in order to facilitate sorting and increase efficiency. Steel, wood and other special materials are disposed of appropriately.

Management has access to real-time data on waste volumes from service providers, enabling continuous monitoring of waste management and ensuring compliance with sustainability and environmental protection objectives. There are also opportunities to gain deeper insights into waste streams through more detailed analysis of categorized waste data from service providers.





4. Social

Social

Health and Safety

Health and safety are a priority for Airport Associates, supported by an active quality management system that closely monitors safety-related performance indicators. This includes the systematic recording of deviations and incidents within the quality system to ensure structured analysis and response.

We continuously track our safety performance and measure it through audits, incident reporting, and Safety Performance Indicators (SPI). This enables us to monitor trends, identify potential risks, and implement corrective actions. Any incident resulting in an employee being absent for more than one day is reported to the Administration of Occupational Safety and Health.

Safety information is shared regularly through monthly statistical updates published on information boards and included in SPI reports submitted to management. This practice increases visibility of safety issues, raises employee awareness, and supports the company's continuous improvement.

As a service provider to airlines, we are required to comply with strict international safety and quality standards. Regular audits by airlines and other stakeholders ensure that our operations consistently meet these requirements.



Social

Training and Development

At Airport Associates, strong emphasis is placed on employee training and skills development to ensure safety and quality in operations.

An internal training system is maintained, where each position has a defined training program and syllabus to ensure the right knowledge and skills are in place. The training includes classroom theory, on-the-job instruction and remote learning.

Employees also strengthen their knowledge through extensive external training, including partnerships with airlines that we serve. Staff are further offered health and safety training as well as Icelandic language courses, which the company pays for.

To ensure progress and continuous development, the company regularly monitors various performance indicators related to training in its operations, which contribute to improving training practices and increasing efficiency.



920

Hours of Icelandic language training



Social

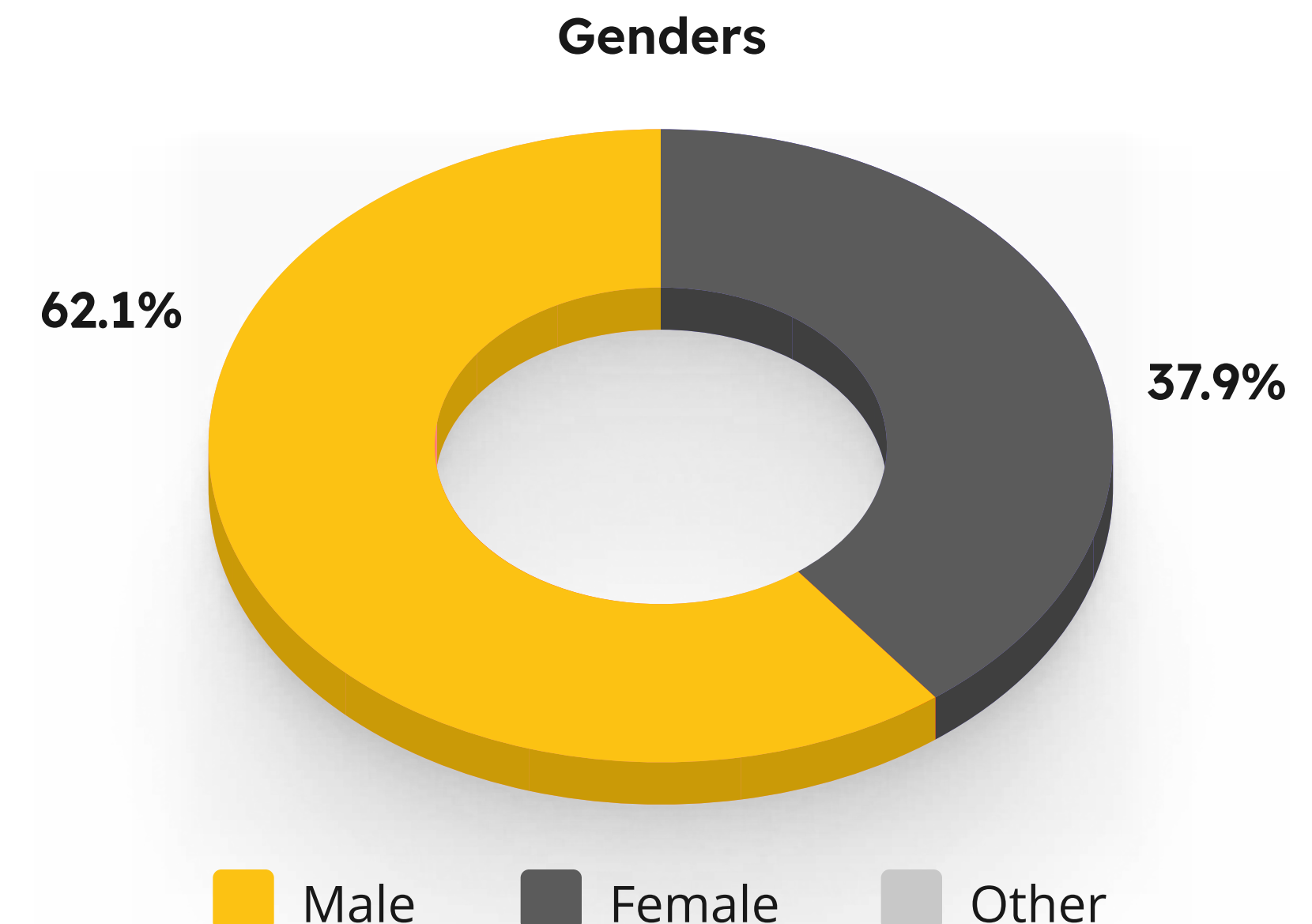
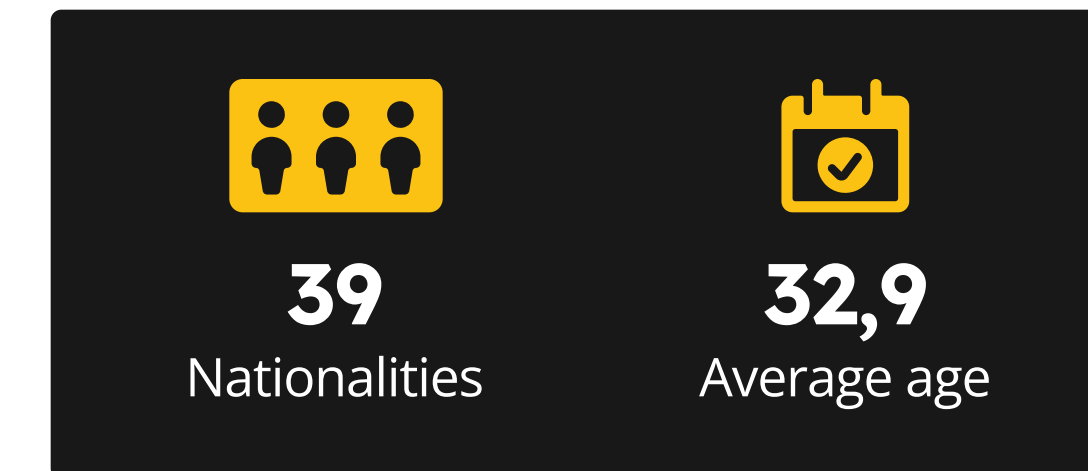
Diversity and Inclusion

Diversity is an important part of the company culture and contributes to a creative, open, and dynamic work environment where everyone has the opportunity to thrive.

Our employees come from diverse backgrounds in terms of both nationality and culture. In 2024, a total of 39 different nationalities were represented within the company. The largest groups are Polish employees, followed by Icelanders.

The company places strong emphasis on equality and diversity and has implemented an equal pay policy that ensures fair treatment of all employees. Managers have received training on diversity and inclusion in the workplace, fostering an environment of respect and positive working culture.

An equal pay certification has been in place since 2019, and in 2024 the measured gender pay gap was 0.1% in favor of men.





5. Governance

Governance

Corporate Culture

Airport Associates places strong emphasis on building solid corporate culture where safety, integrity, and transparency are fundamental values. Management promotes a strong safety culture and encourages employees to take responsibility for safe and reliable operations.

The company's Code of Conduct reinforces ethical responsibility and cohesion within the organization. The Code clearly states zero tolerance for corruption and bribery and ensures protection for whistleblowers. Together with employees, management fosters an open and safe work environment where rules and standards are respected equally by all.

Regular employee satisfaction surveys are used to monitor and improve the work environment and strengthen a positive workplace culture. Despite seasonal fluctuations in operations, irregular working hours, and demanding weather conditions, the company is committed to building trust and creating a safe and unified workplace.



76%

Employee satisfaction

Supplier Relations

Airport Associates has built long-term relationships with both domestic and international suppliers, where the company's position towards them is strong and based on mutual trust and cooperation. This contributes to stability and quality in operations.

To ensure ethical responsibility and consistency in supplier relations, the company has implemented a Supplier Code of Conduct. These rules require suppliers to operate responsibly and transparently, supporting long-term success and trustworthy business partnerships.



6. Appendix

ESG Rating

Airport Associates underwent ESG sustainability rating by Reitun in July 2024 and September 2025. The results demonstrate a year-on-year improvement, and the company remains committed to sustaining this positive trajectory ahead of the next rating in 2026.

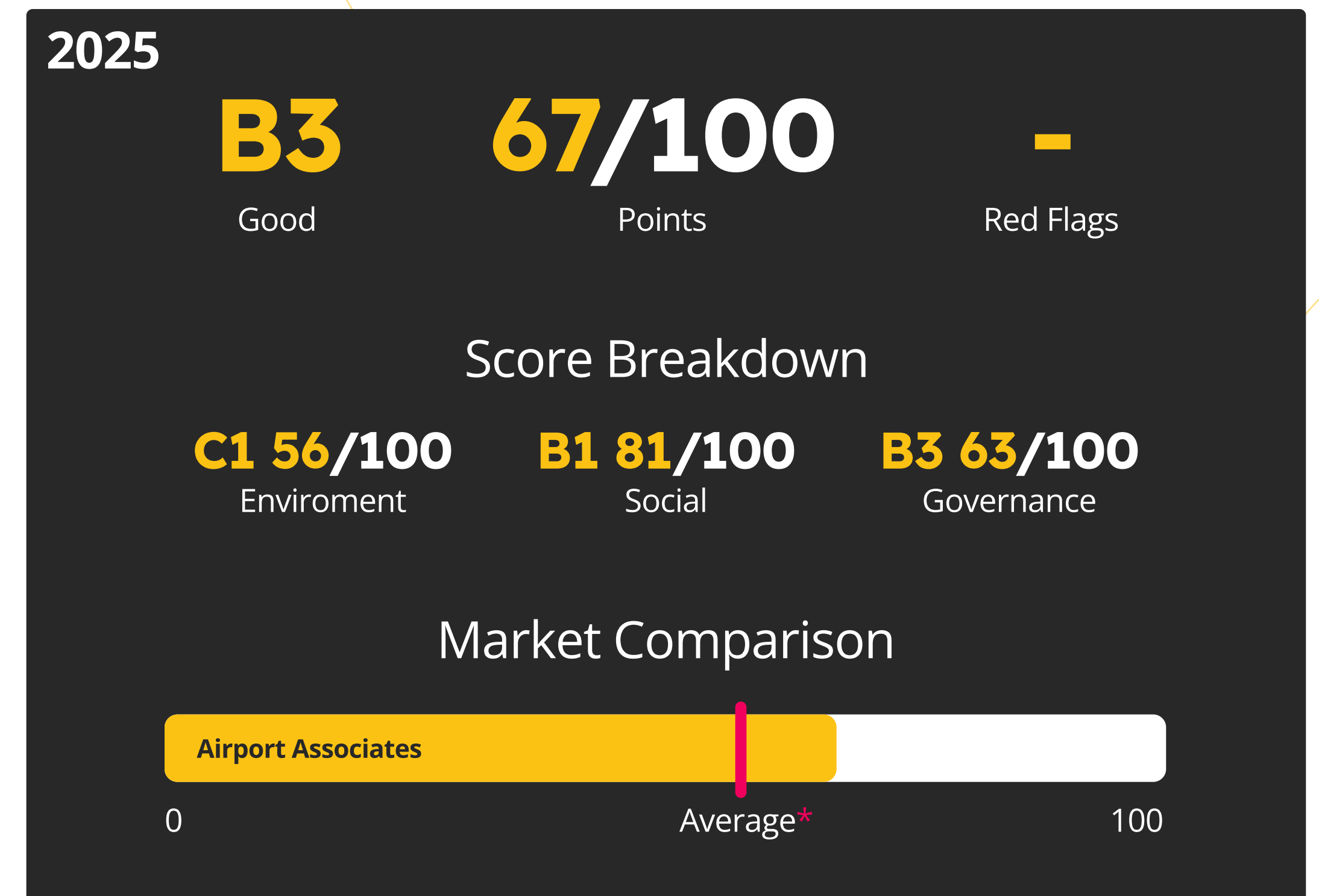
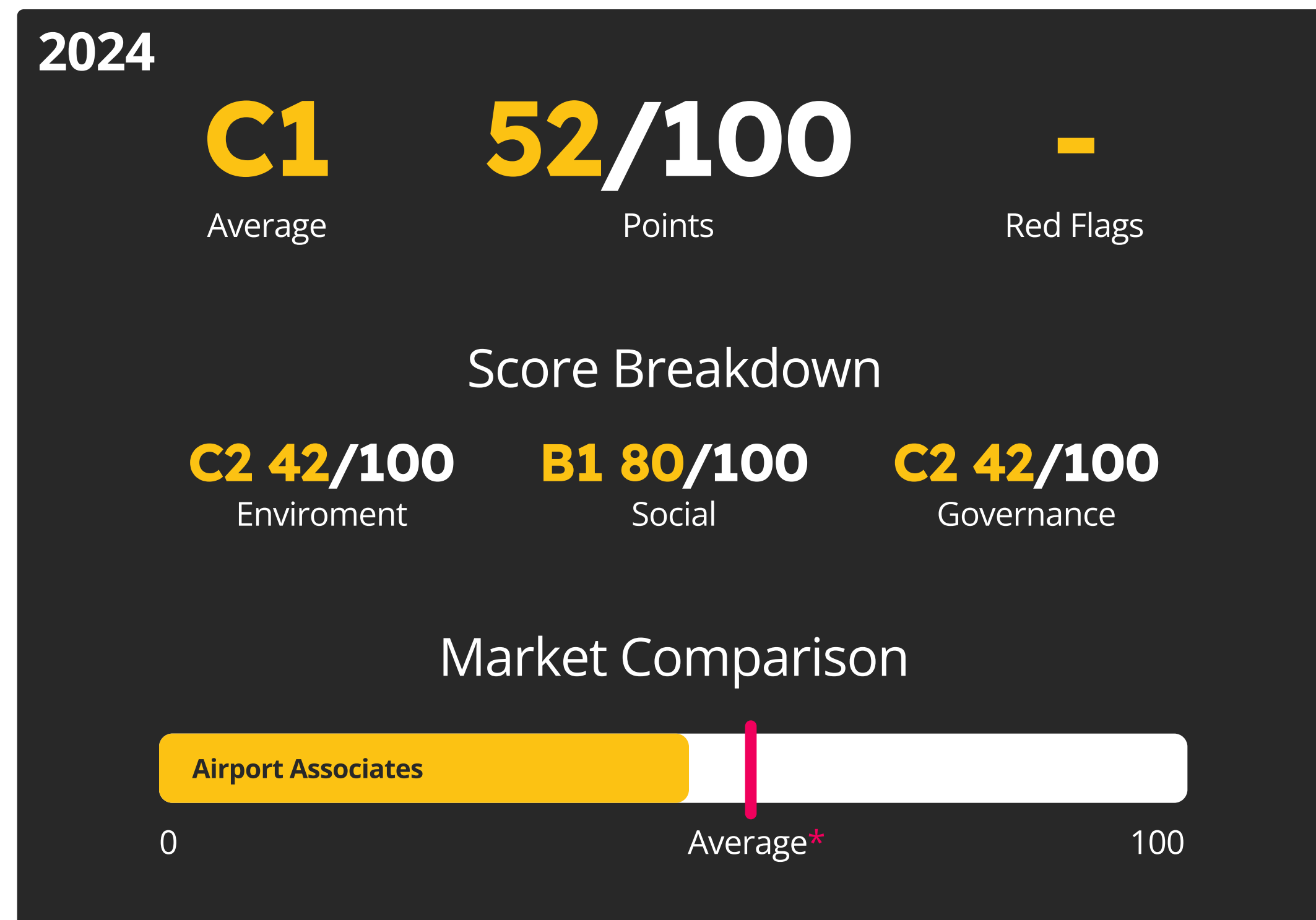
ESG ratings have become widely recognized in international markets as a framework for evaluating companies on sustainability and corporate responsibility. The assessment provides an integrated view of a company's performance and identifies key opportunities for improvement. Scores are assigned based on results, enabling benchmarking against other market participants. ESG covers environmental, social, and governance dimensions.

Reitun is an independent analysis and rating firm that conducts ESG risk assessments, providing objective evaluations of companies' sustainability performance.



ESG Rating

ESG rating by Reitun - Total Score



*Comparison of the company's average score (Yellow) with the average score of Icelandic companies (red bar) that have undergone an ESG assessment by Reitun. The companies in this comparison group may vary in size and operations.

VSME Reference Table 2024

Reference	Description	Fulfilled	Reference/comment
B1 Basis for preparation			
24a	Selected reporting option	Fully	Airport Associates Sustainability Report 2024, p. 5
24b	Disclosures omitted due to classified or sensitive information	N/A	
24c	Reporting on an individual or consolidated basis	Fully	Airport Associates Sustainability Report 2024, p. 5
24d	Subsidiaries covered in the report	N/A	Airport Associates Sustainability Report 2024, p. 5
24e	General information about the undertaking	Partially	The financial figures are presented in ISK rather than in EUR, as otherwise required by the standard. APA ehf. is a private limited company operating under Act No. 138/1994 on Private Limited Companies. The company's main activities fall under NACE codes H52.23, H52.24, and H52.26. The number of employees is reported as the average number of full-time equivalents (FTE). The company is domiciled in Iceland with its registered office at Fálkavöllur 7, 235 Keflavík International Airport. No sustainability certifications are in place.
B2 Practices policies and future initiatives for transition towards a more sustainable economy			
26a	Practices	Partially	Policies, p. 8
26b	Policies	Fully	Policies, p. 8
26c	Future initiatives	Fully	Double materiality assessment, p. 7
26d	Targets	Fully	Goals for 2025, p. 9
27	Reducing negative impacts and enhancing positive impacts	Fully	Double materiality assessment, p. 7
B3 Energy and greenhouse gas emissions			
29	Total energy breakdown in MWh	Fully	Environment: Energy, p. 12
30a	Scope 1 GHG emissions in tCO ₂ eq	Fully	Environment: Energy, p. 12
30b	Location-based Scope 2 emissions in tCO ₂ eq	Fully	Environment: Energy, p. 12. Airport Associates does not purchase guarantees of origin for electricity, and therefore Scope 2 emissions are calculated based on market-based emissions.
31	GHG intensity	Fully	Airport Associates Sustainability Report 2024, p. 5

VSME Reference Table 2024

Reference	Description	Fulfilled	Reference/comment
B4	Pollution of air, water and soil		
32	Mandatory and voluntary pollutant emissions disclosure	N/A	
B5	Biodiversity		
33	Sites near biodevirsity-sensitive areas	N/A	The operations are not located near any biodiversity-sensitive areas
34a	Total use of land	N/A	
34b	Total sealed area	N/A	
34c	Total nature-oriented area on-site	N/A	
34d	Total nature-oriented area off-site	N/A	
B6	Water		
35	Total water withdrawal	Partially	Environment: Energy, p. 12. Reporting is limited to the use of hot water
36	Water consumption for high-usage production processes	N/A	
B7	Resource use, circular economy and waste management		
37	Application of circular economy principles	Partially	Environment: Circular Economy and Waste Management, p. 14
38a	Total annual generation of waste broken down by non-hazardous and hazardous	N/A	No hazardous waste was generated in the operations in 2024.
38b	Total annual waste diverted into recycling or reuse	Fully	Environment: Circular Economy and Waste Management, p. 14
38c	Annual mass-flow of relevant materials used (in high-usage sectors)	N/A	
B8	Workforce - General characteristics		
39	Number of employees in headcount or FTE for the following metrics:		
39a	Type of employment contract (temporary or permanent)	Fully	Airport Associates Sustainability Report 2024, p. 5
39b	Gender	Fully	
39c	Country of employment contract	N/A	Social: Diversity and Inclusion, p. 8
40	Employee turnover	Fully	Airport Associates Sustainability Report 2024, p. 5

VSME Reference Table 2024

Reference	Description	Fulfilled	Reference/comment
B9	Workforce - Health and Safety		
41a	Number and rate of recordable work-related accidents	Fully	Number of reported accidents: 52 Accident frequency of reported accidents: 16.9 Number of serious accidents: 5 Accident frequency of serious accidents: 1.62
41b	Number of fatalities as a result of work-related injuries and work-related health	Fully	No fatalities can be attributed to work-related accidents or to an unhealthy working environment.
B10	Workforce - Remuneration, collective bargaining and training		
42a	Compliance with minimum wage standards for employees	Fully	Wages are paid in accordance with the applicable collective agreements.
42b	The percentage gap in pay between its female and male employees	Fully	Social: Diversity and Inclusion, p. 8
42c	The percentage of employees covered by collective bargaining agreements	Fully	100% of the staff are members of a trade union and are covered by collective agreements.
42d	The average number of annual trainings hours per employee, broken down by gender	Partially	The hours that staff spent in Icelandic language studies are reported. Other staff training hours are not systematically recorded, nor are they broken down by gender.
B11	Convictions and fines for corruption and bribery		
43	Convictions and fines related to anti-corruption and anti-bribery laws	Fully	Airport Associates has not incurred any fines for violations of laws on competition, corruption, bribery, or other comparable offenses.

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