



**AAR CORP.**  
**TCFD content index**  
for the fiscal year ended  
May 31, 2024

This reporting index is based on the framework provided by the Task Force on Climate-Related Financial Disclosures (TCFD). Disclosures herein generally include business activities covering the period of June 1, 2023, to May 31, 2024, which is the most recent fiscal year for AAR CORP. (“AAR” or the “Company”), unless otherwise noted.

## 1. Governance

<b>Disclose the organization’s governance around climate-related risks and opportunities</b>	
Describe the board’s oversight of climate-related risks and opportunities	<p>Climate-related risks and opportunities are embedded in AAR’s strategic planning, risk management program, and related internal processes, all of which are overseen by AAR’s Board of Directors and its committees.</p> <p>In July 2023, the Board of Directors amended the Audit Committee Charter to stipulate two new responsibilities for the Audit Committee: 1) oversight of the internal and external review of quantitative environmental data and related disclosures included in AAR’s sustainability reports, and 2) oversight of enterprise risk management processes related to environmental (such as climate) risk.</p> <p>In September 2024, the Board of Directors amended the Corporate Governance Guidelines to expressly state that: (1) the Board exercises its risk oversight function directly and through its committees, which evaluate and oversee the management of the risks related to the topics covered in their charters, and (2) the entire Board regularly reviews and is informed regarding potentially significant risks, including, but not limited to, risks related to Company strategy, performance and other enterprise-wide risks, either through committee reports or management reports.</p> <p>See our <a href="#">2024 Sustainability Report</a> – Our sustainability governance enhancements section, <a href="#">Audit Committee Charter</a> and <a href="#">Corporate Governance Guidelines</a></p>
Describe management’s role in assessing and managing climate-related risks and opportunities	<p>As part of our enterprise risk management (ERM) process, management and the Audit Committee jointly discuss major risks and opportunities that confront our business, including climate-related risks. Climate risk is on our risk registry, and we anticipate the level and depth of conversation on this issue to continue to expand over time. The ERM process is a joint effort by the Company’s senior management and internal audit department and includes developing and implementing risk mitigation strategies, overseeing the effectiveness of the risk mitigation strategies, and reporting to the Audit Committee. The results of the Company’s ERM process are reported to the Audit Committee (or the full Board, if appropriate) for review and discussion of the Company’s principal risks and risk mitigation approaches for addressing these risks. The entire Board regularly reviews and is informed regarding potentially significant risks, including, but not limited to, risks related to Company strategy, performance and other enterprise-wide risks, either through committee reports or management reports.</p> <p>See our <a href="#">2024 Sustainability Report</a> – <i>Governing with integrity</i> section</p>

## 2. Strategy

<b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s business and financial planning where such information is material</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	<p>The Board discusses strategic planning at each Board meeting and holds a special strategy session with management each year dedicated exclusively to strategic planning. This session focuses on the development and implementation of our short-term, intermediate-term, and long-term strategic plans. The Board and management review and discuss AAR’s operations and financial and non-financial performance. The Board analyzes aviation industry developments and trends, AAR’s service and solution offerings, and the competitive landscape in which AAR operates. Climate-related risks and opportunities, including direct impacts to AAR and indirect industry impacts, are considered as part of the strategic planning process.</p> <p>Risks: As part of its ERM assessment, AAR considers concerns about the carbon footprint of the aviation industry, including greenhouse gas emissions, and the related efforts to transition to more fuel-efficient and alternative fuel aircraft. Additional related risks include industry-wide reputational risk and compliance with increasingly complex regulations. If AAR does not stay ahead of technology changes, customers could turn to other companies. Direct risks associated with climate change that may impact AAR’s business include a reduction in commercial flight hours due to weather disruptions, and increased regulation of commercial airlines that negatively impacts commercial flight hours (with commercial flight hours directly impacting AAR’s financial health). Our supply chains and facilities could also be disrupted by natural disasters and extreme weather events. AAR will continue to consider risks associated with climate change.</p> <p>This year, for the first time, AAR underwent a water risk assessment, using the Aqueduct Tool from the World Resources Institute (WRI). We input all of our physical locations and facilities within our reporting boundary into the tool to better understand water-related risks and impacts associated with the geographic regions that</p>

	<p>each facility is in, including water-related risks and impacts associated with climate change. We plan to run our sites through this tool each year to continue to monitor changes to water-related risks exacerbated by climate change.</p> <p>Opportunities: AAR prevents and reduces waste by extending the lifespan of airplanes and the useful life of their parts, which we believe helps to reduce the aviation industry's global footprint. By refining our data tracking and reporting processes, we can better understand, address, and communicate our impacts and efforts to key stakeholders.</p>
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	AAR is using TCFD guidance to assess our climate-related risks. We monitor environmental impacts related to our business and scrutinize climate change effects on the industry. We see opportunity to utilize energy more efficiently across all segments of our business, which would be expected to reduce greenhouse gas ("GHG") emissions. We will continue to investigate various scenarios, along with the costs of impact and management, over the next several years.
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 degree, or lower, scenario	AAR is using TCFD guidance to assess our climate-related risks. We believe our business strategy is resilient yet flexible enough to adjust to changing conditions over time. As climate change impacts our business and industry, our risk assessment and monitoring process will seek to identify and address the risk to mitigate the impact. We will continue to investigate various scenarios, along with the costs of impact and management, over the next several years.

### 3. Risk Management

<b>Disclose how the organization identifies, assesses, and manages climate-related risks</b>	
Describe the organization's processes for identifying and assessing climate-related risk	<p>Climate-related risks are identified, assessed, and managed as part of AAR's ERM program. As part of our ERM process, management and the Audit Committee jointly discuss major risks and opportunities that confront our business, including climate-related risks. The ERM process is a joint effort by the Company's senior management and internal audit department and includes developing and implementing risk mitigation strategies, overseeing the effectiveness of risk mitigation strategies, and reporting to the Audit Committee. The results of the Company's ERM process are reported to the Audit Committee (or the full Board, if appropriate) for review and discussion of the Company's principal risks and risk mitigation approaches for addressing these risks. The Board regularly reviews and is informed regarding potentially significant risks, including, but not limited to, risks related to Company strategy, performance and other enterprise-wide risks, either through committee reports or management reports.</p> <p>The Board monitors management's performance in the execution of AAR's strategy throughout the year. It receives regular updates from management at each meeting on strategic opportunities and risks that we are currently assessing or addressing, including through the oversight of management's ERM program. The Audit Committee oversees the ERM process, which is a joint effort by our senior management and internal audit department and includes developing and implementing risk mitigation strategies, overseeing the effectiveness of the risk mitigation strategies, and reporting to the Audit Committee. The results of our ERM process are reported to the Audit Committee (or the full Board, if appropriate) for review and discussion of AAR's principal risks and risk mitigation approaches for addressing these risks. The Board regularly reviews and is informed regarding potentially significant risks, including, but not limited to, risks related to Company strategy, performance and other enterprise-wide risks, either through committee reports or management reports.</p> <p>The formal ERM process occurs at least once per year, although risks are assessed on a continual basis and reported to the Audit Committee and the Board as needed. Principal risks are identified as those that would have a high impact on the Company, including impacts on the Company's financial results, even if the risk is remote. In connection with the last ERM process conducted in the first quarter of the 2025 fiscal year, it was concluded, based on information available at the time, that climate-related risks are not expected to have a material adverse impact on the Company in the short to medium term.</p> <p>In addition, the Board receives feedback from engagement with AAR's stakeholders and oversees environmental (such as climate) risk and sustainability reporting through its Audit Committee and Nominating and Governance Committee.</p> <p>See our <a href="#">2024 Sustainability Report</a> - Our ESG governance enhancements section and the Governing with Integrity section</p>
Describe the organization's processes for managing climate-related risks and opportunities	
Describe how processes for identifying, assessing, and managing climate-related risks and opportunities are integrated into the organization's overall risk management	

## 4. Metrics & Targets

<b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where information is material</b>	
<p>Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process</p>	<p>AAR tracks energy use and Scope 1 and Scope 2 greenhouse gas emissions and continues to evaluate systems and processes to consistently report on consumption volumes of waste across sites, relative to the potential impact.</p> <p>See our <a href="#">2024 Sustainability Report – Focusing on the Environment section</a> and our <a href="#">2024 External Verification Opinion Declaration – Greenhouse Gas Emissions</a></p>
<p>Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks</p>	<p>The GHG emissions reported are measured in metric tonnes of carbon dioxide equivalent (MT CO<sub>2</sub>e) and include utility-based natural gas used in our facilities for heating (Scope 1) and indirect emissions from grid electricity (Scope 2).</p> <p>See our <a href="#">2024 Sustainability Report – Focusing on the Environment section, Scope 1 and 2 emissions, page 10</a> and our <a href="#">2024 External Verification Opinion Declaration – Greenhouse Gas Emissions</a></p>
<p>Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets</p>	<p>AAR continues to evaluate our environmental inventory and consider strategies for managing our impact.</p>