

# A trusted partner in the energy transition



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# 01

# Introduction



## EXECUTIVE SUMMARY

PHI Aviation (PHI) is committed to promoting and supporting sustainability throughout its business policies and operations. As an innovative partner to the energy sector, the development of this Sustainability Plan will outline the future vision for PHI. This plan lays out an ambitious framework to focus and define the vision of what PHI looks like based on sustainability principles.

### Principles

Based on research conducted and feedback from PHI employees, the plan is structured around making a positive impact to PHI's four pillars of sustainability – Our Team, Our Community, Our Footprint and Our Business. Within the four pillars, 12 priority strategies are outlined that represent how the plan will be implemented.

### Footprint

This plan defines PHI's first greenhouse gas (GHG) footprint based on 2019 operations. To define a lower carbon future, this footprint will be the baseline from which all future reporting will measure and define targets. It will serve as an important tool to quickly respond to client requests for operational emissions that also contribute to their own annual corporate GHG reporting, and place PHI as the optimal partner with aligned sustainability priorities.

### Future PHI

This plan is intended to guide a path forward, and it is expected that there will be updates as progress is achieved, new technologies are available and other unforeseen forecasts become relevant to the business. Each progress report will help us to define places of success that can be scaled and built upon throughout all our global locations, and will allow us to have the greatest impact towards sustaining our shared planet.



# A look to our future

## A word from our Managing Director



In the last few years, we have been on a journey with our employees, our partners and our customers to **optimize, renew, grow** and **diversify** our business.

Significant shifts in our business and operating environment over the last two decades are changing the way we think; the choices we make; the expectations of employees; and the social responsibility between organizations and their stakeholders.

This is why we take the concept of sustainability seriously at PHI. It is not just about reducing our environmental footprint; it is much more than recycling and electric vehicles. Sustainability flows through our entire operation—from the way we work with our employees and our communities, to the ethical practices by which we govern our business. It encompasses everything we do—across our Teams, our Communities, our Footprint and our Business. These four pillars are the core of sustainability at PHI.

Our core values, Safe, Efficient, Quality and Service will be reflected through the goals we set and actions we take under each pillar.

Being sustainable is not just the right thing to do, it is the only way we can ensure we have a robust business that will be future-fit and resilient for the long-term. Our PHI Sustainability Plan will help us align our business and our operations to a changing world.

Taking action on the goals we have set in this plan will ensure PHI continues to be a successful business. The outcomes of building sustainability into our business are clear. It is fundamental to our commercial reputation and our relationships, it drives efficiencies, and supports us to attract and retain high caliber employees.

PHI's sustainability plan is about creating opportunities and value for our team, our communities and the environments we live in. We want our business to support a healthier planet for future generations and to be resilient for the long term. For employees this means opportunities for training, education, success in the industry, collaborating with customers and community involvement.

We know that leading energy customers have made bold commitments towards sustainability programs and to reducing emissions, they are also investing in pioneering renewable energy. We are seeing these projects in the regions where we are already based, and they represent a significant opportunity for us. Like many of our customers, PHI is committed to being a responsible partner in the managed transition to renewable resources, while offering alternate and more sustainable people transport solutions to the market.

We will not be abandoning our traditional energy customers, but we will look for more innovative ways to serve them better. By embracing change, we will continue to be a trusted partner for our customers well into the future.

Sustainability at PHI, much like our safety program Destination Zero, will never end; we will always be looking for ways to improve.

If we all play our part and work together as one team, we will make a meaningful difference to our Teams, our Communities, our Footprint and our Business success.

Thank you,

Keith Mullett

# 02

## Transition to a sustainable business



# Delivering the gold standard in global helicopter solutions

OUR VALUES



Be **safe** in all we do



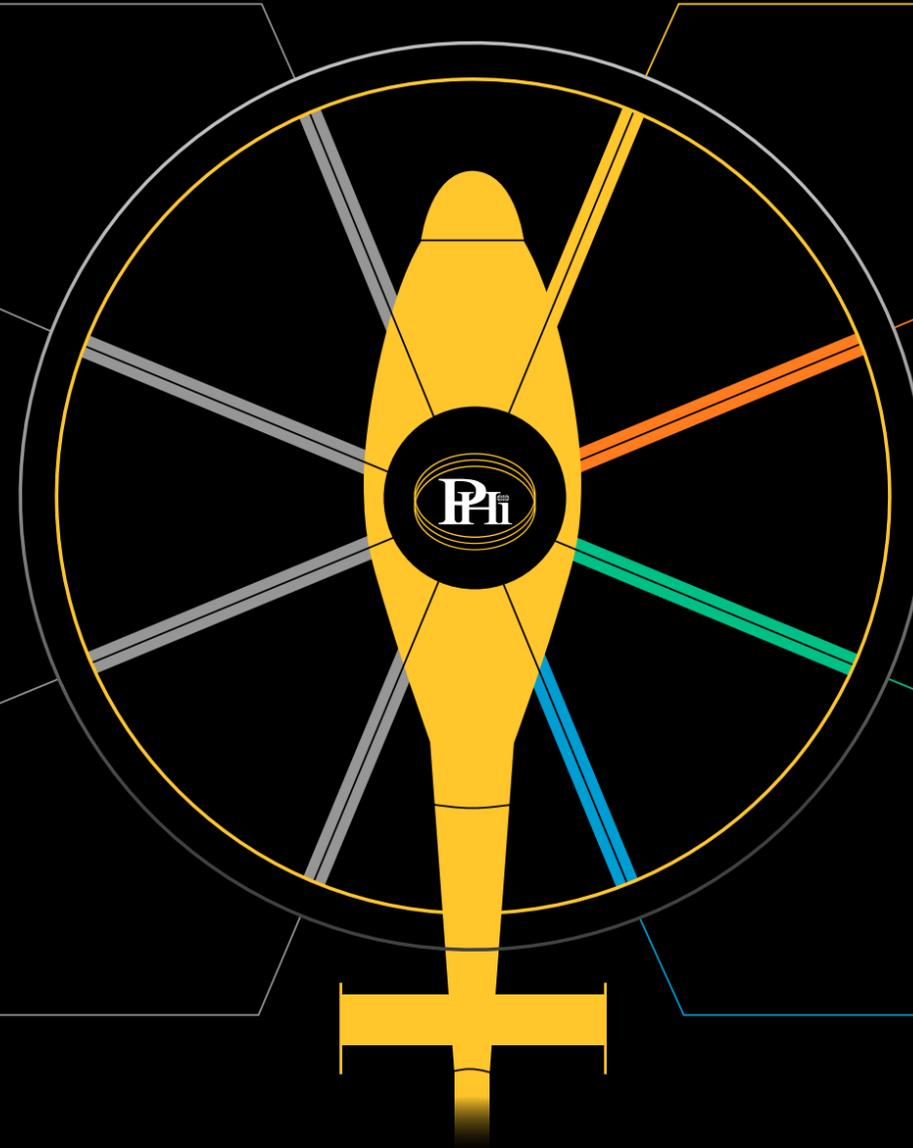
Strive to be **efficient** in our processes & operations



Provide outstanding **quality** that upholds our legacy



Deliver world-class **service** to each other and our customers



Nurturing a diverse and talented workforce



TEAM

Positive presence in our community



COMMUNITY

Supporting and servicing the energy transition



FOOTPRINT

Responsible and ethical in all we do



BUSINESS

OUR PILLARS

To ensure PHH remains a trusted partner that is resilient for the long-term, we are on a journey to optimize, renew, grow and diversify

# PHI at a glance



## Our vision

**PHI SERVICES**  
are sought to support the ongoing clean energy transition

**PHI LOCATIONS**  
establish a long-term legacy in local communities

**PHI CULTURE**  
promotes an inclusive and rewarding career path



**6** GLOBAL LOCATIONS



**800+** GLOBAL EMPLOYEES



**75+** AIRCRAFT OPERATED



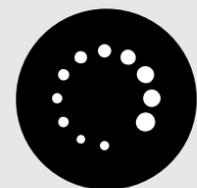
**30+** CLIENTS SERVED



**70+** years supporting the energy industry



**72,000** FLIGHT HOURS and counting



**79,237** MT CO<sub>2</sub>-e GHG EMISSIONS (2019)



13+ types of community engagement activities



100 annual training hours per pilot (Americas)

# PHI Sustainability Charter

December 2020



## Background

During Q4 2020, PHI International began a pilot program to explore sustainability together with some of our clients. This experimental program reached a state of completion, and the development of a charter covering PHI Aviation was the next step in developing a global sustainability program for all operations.

## Purpose of sustainability

PHI is among a handful of offshore oil and gas industry partners whose sustainability efforts will be increasingly monitored and recorded by industry investors, key stakeholders, consumers, and governments.

Sustainable practices are no longer a nice-to-have. They are expected from us by our stakeholders. Reporting of these practices can help to maintain a social license to operate (and in the context of our industry, add value as a contracted service provider).

Sustainability is also good for business performance. It is integral to commercial reputation and relationships and a source of potential efficiencies in expenditure. These both impact short- and long-term profitability. Engagement with sustainability also ensures effective strategic planning in the face of coming energy transitions.

The purpose of this charter is to enable PHI to develop and implement a global sustainability program. It is designed to facilitate discussion with the Leadership Team utilizing the experience gained from the pilot project and to commence work across PHI on sustainability.

## Why Sustainability?

Company purpose is more important than ever, and there is ever-increasing scrutiny on corporations to actively do good in the world. For many customers, investors and younger employees, the ultimate purpose of a company is broader than just delivering annual profit and dividend growth.

Sustainability is often the way that companies can demonstrate their wider purpose. Sustainability is also tied to profitability. It is fundamental to commercial reputation and relationships and a rapidly growing influence in client acquisition and retention.

Many sustainability practices also drive efficiencies in expenditure. Potential examples include reductions in elements such as travel or electricity spend, and the ability to attract and retain high caliber employees.



## PHI SUSTAINABILITY CHARTER – DECEMBER 2020



GETTY – ANNUAL UNITED NATIONS GENERAL ASSEMBLY 2021

Sustainability is of growing importance within the traditional energy sector. For example:

- BHP has established a role within its organization titled 'Manager of Social Value'.<sup>1</sup>
- Shell carries out detailed environmental, social and impact health assessments as part of planning major projects such as exploration and drilling, offshore platform installation or decommissioning.
- The United Nations and its 77 member countries have called for carbon emissions to reach net zero by 2050, and the World Economic Forum is calling on companies to put sustainability at the core of business models.<sup>2</sup>
- BP has committed to net zero emissions by 2050 and has stopped investing in corporate advertising unless it is to promote climate policies that support net zero.

The growing pressure in the sector is clear, and there are many ways a company can demonstrate the good it is doing. Measuring and reporting sustainable practices, through Environmental, Social and Governance (ESG) reporting, is a tangible process that ensures accountability.

ESG reporting encompasses everything beyond strictly financial reporting, e.g. diversity & inclusion policies and environmental protection practices. ESG funds globally have about US\$31 trillion invested, indicating a new wave of investors are looking for returns beyond financial reporting.<sup>3</sup>

There are benefits to increasing ESG disclosure – customers and suppliers often ask for information on ESG performance. Reporting means stakeholders can have more informed discussions with the company.

There is no doubt that the oil and gas sector is part of the global carbon transition movement. A social license to operate will depend on the work that is done in the sector and whether this is done in the most positive way, to reduce harm and benefit people and the planet.

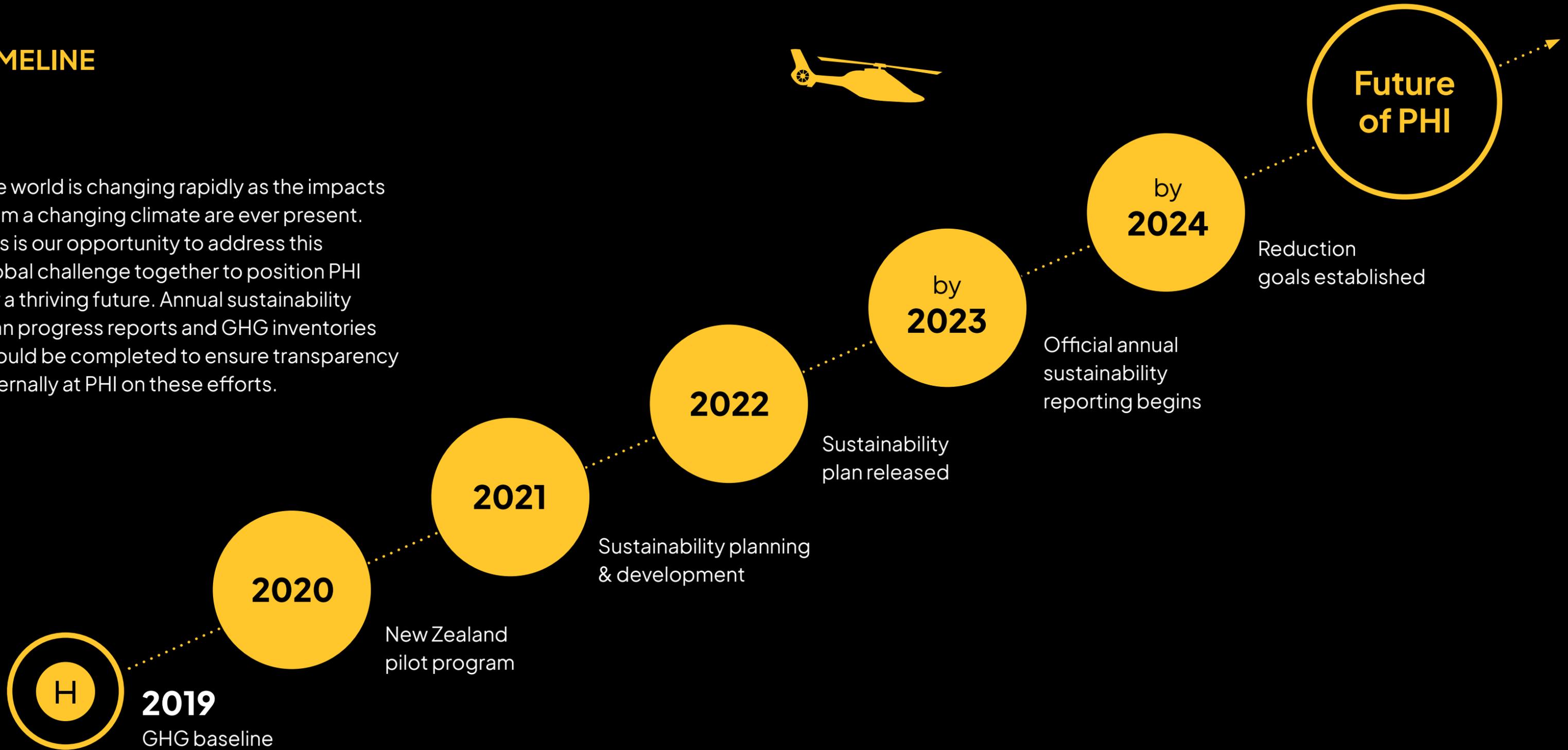
<sup>1</sup> The Financial Times – BHP adds 'social value' into its business planning – October, 2019

<sup>2</sup> World Economic Forum – The company of the future must do well by doing good

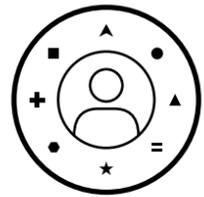
<sup>3</sup> NZX ESG Reporting paper 2019, David Parker

# TIMELINE

The world is changing rapidly as the impacts from a changing climate are ever present. This is our opportunity to address this global challenge together to position PHI for a thriving future. Annual sustainability plan progress reports and GHG inventories should be completed to ensure transparency internally at PHI on these efforts.



# PILLARS OF SUSTAINABILITY AT PHI



## PILLARS OF SUSTAINABILITY AT PHI



### OUR TEAM

We strive to make sure our teams reflect the communities in which we operate by recruiting a talented and diverse workforce and promoting a culture that nurtures their full potential.



### OUR COMMUNITY

We work with local governments and stakeholders to be a positive presence in the communities where we operate by investing in programs that promote equitable economic growth and development.



### OUR FOOTPRINT

We're committed to partnering with our customers, shareholders and the aviation industry to develop innovative solutions and services to support the transition to renewable resources.



### OUR BUSINESS

How we conduct ourselves and how we manage our partnerships is just as important as the service we deliver. We govern our business in a responsible and ethical way to support the vital role we play in the transition to a sustainable future.

## PLAN DEVELOPMENT PROCESS

This Sustainability Plan has been established as a direct outcome of the PHI Sustainability Charter. The external consulting team, Arup, began the process with a deep dive into PHI's mission, values, operations and culture as compared to key clients and other helicopter aviation companies. Opportunities from the industry scan were compiled into a materiality survey and distributed to all PHI employees. Over 200 employees responded to the survey, providing their 'personal concern' and 'importance to PHI' ranking on materiality topics that have helped to inform the sustainability strategies.

The Sustainability Steering Committee further outlined and defined the priority strategies that are included in Chapter 3 of this plan and helped collect GHG footprint data points. Leadership from Managing Director, Keith Mullett and Global Sustainability Leader, David Jacob provided important guidance to this resulting plan that will guide PHI to be the leader in providing the most sustainable helicopter services to its partner industries.

Thank you to the sustainability steering committee participants:

**Keith Mullett**  
Managing Director



**David Jacob**  
Global Sustainability Leader



**Mike Price**  
Chief Operating Officer (International)



**Jamie Hinch**  
Chief Operating Officer (Americas)



**Erika Svarc**  
Senior HR Advisor (International)



**Roger Duncan**  
NZ Base and Contract Manager  
(International)



**Sam Richmond**  
Head of Flight Training (International)



**Hamish Manson**  
Chief Financial Officer (International)



**Katie Domas**  
Communications Manager (Americas)



**Cory Latiolais**  
Chief Commercial Officer (Americas)



**Robert Bouillion**  
Vice President, HSEQ (Americas)



# 03

## Priority strategies



# The 12 sustainability priority strategies

● TEAM ● COMMUNITY ● FOOTPRINT ● BUSINESS



Sustainability Training



Employee Development Program



Climate Hazard Response



Workforce Diversity, Equity & Inclusion



Local Hire Recruitment



Community Partnerships



Responsible Material Use



Increase Energy Efficiency



GHG Emissions Reduction



Environmental Management System



Sustainable Supply Chain Criteria



Integrated Sustainability Planning

# SUSTAINABILITY PROGRAM MATRIX

Pillar	Strategy	KPI	Action (s)	Timescale		
				SHORT TERM	MEDIUM TERM	LONG TERM
Our Team	Sustainability training and leadership development	Number of employees completing sustainability training	1.1 Development of Sustainability Training program for employees	●		
	Employee development program	Number of employees enrolled in program	2.1 Develop an employee development program		●	
	Climate hazard response	Number of locations with evaluation and response	3.1 Conduct a Climate Hazard evaluation and response for each location		●	
	Workforce diversity, equity, and inclusion	Annual report on company-wide DEI metrics	4.1 Review workplace DEI characteristics and create maturity matrix	●		
4.2 Incorporate DEI in recruiting and hiring			●			
Our Community	Local hire recruitment	Percentage of company-wide local hires	5.1 Include the local community as a central source of recruitment advertising	●		
	Community partnerships	Number of community engagement initiatives launched	6.1 Support local communities with targeted engagement initiatives		●	
Our Footprint	Responsible material use	kg of waste to landfill	7.1 Develop an environmentally preferable purchasing plan	●		
			7.2 Expand reuse and recycling sources		●	
	Increase energy efficiency	Liters of fuel use and kWh of energy	8.1 Monitor and disclose aircraft fuel efficiency	●		
			8.2 Conduct building energy audits for high EUI facilities		●	
	GHG emissions reduction	Metric tons of scope 1 & 2 emissions	9.1 Complete annual GHG inventory	●	●	●
			9.2 Implement client SAF program		●	
Our Business	Integrated sustainability planning	Annual sustainability plan update	10.1 Embed sustainability and resilience evaluation criteria in all decision making	●		
			10.2 Implement Sustainability Steering Committee reporting and engagement process		●	
	Sustainable supply chain criteria	Percentage of suppliers reporting	11.1 Develop and implement ESG transparency criteria for suppliers		●	
	Environmental management system	Annual EMS report	12.1 Establish a PHI Environmental Management System task force	●		
			12.2 Pilot program for recommended EMS program		●	

# 04

## GHG footprint



# 2019 PHI GHG EMISSIONS

A greenhouse gas (GHG) footprint is the total emissions caused directly and indirectly by an organization. It is calculated by summing emissions from carbon dioxide, methane and nitrous oxide while accounting for the differing global warming potential of each gas (as specified by the IPCC Fifth Assessment Report), resulting in a footprint metric known as carbon dioxide equivalent (CO<sub>2</sub>-e).

As per guidance from the Greenhouse Gas Protocol and ISO 14064-1: Greenhouse gases - Specification, PHI's operational GHG emissions have been classified within scope 1, scope 2, and scope 3 to help delineate direct and indirect emission sources.

## SCOPE 1



**Aircraft**



**Ground vehicles**



**Building natural gas**



Scope 1 corresponds to direct GHG emissions, which occur from sources that are owned or controlled by the reporting organization. Examples include emissions associated with fuel combustion in organization-owned or controlled furnaces and vehicles.

## SCOPE 2



**Grid electricity**



Scope 2 accounts for indirect GHG emissions from the generation of purchased electricity for the organization.

## SCOPE 3



**Business travel (air)**



**Waste**

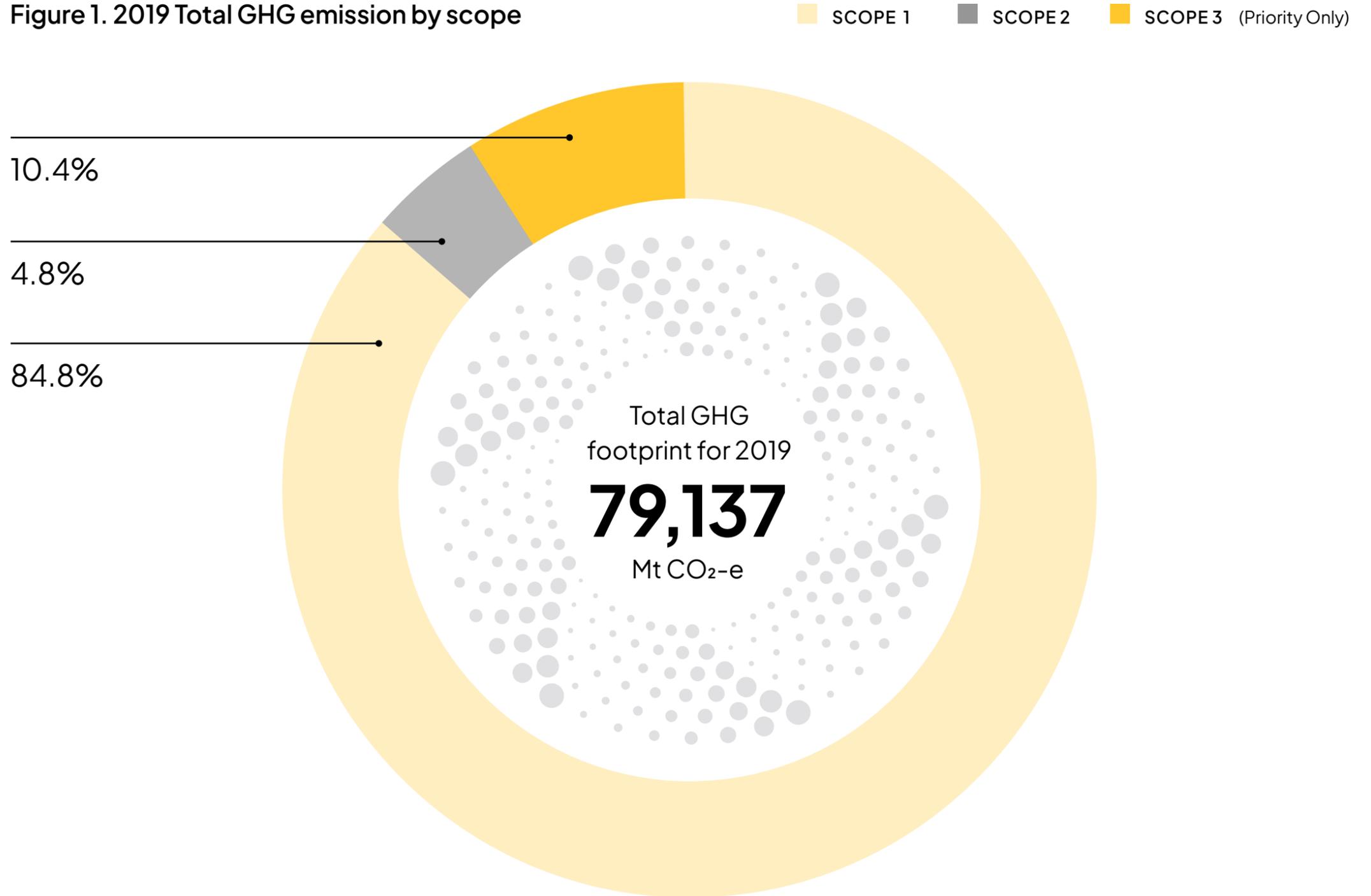


Scope 3 is an optional reporting category that encompasses all other indirect emissions. Such emissions result from activities of assets that are not owned or controlled by the organization, but that the organization has indirect impacts on in its value chain. Scope 3 emissions include transportation of purchased goods and services, business travel, and waste.

# 2019 PHI GHG EMISSIONS

Working with the sustainability steering committee, GHG footprint data was collected for operational locations in 2019 for all scope 1 & 2 sources, and the priority air travel and waste sources from scope 3. The total GHG footprint for 2019 was 79,137 Mt CO<sub>2</sub>-e. Differing levels of data availability were available from each geographic location, which are further detailed in this section. The compiled GHG footprint data from 2019 clearly outlines most emissions coming from scope 1 aircraft jet fuel use, shown in Figure 1.

Figure 1. 2019 Total GHG emission by scope



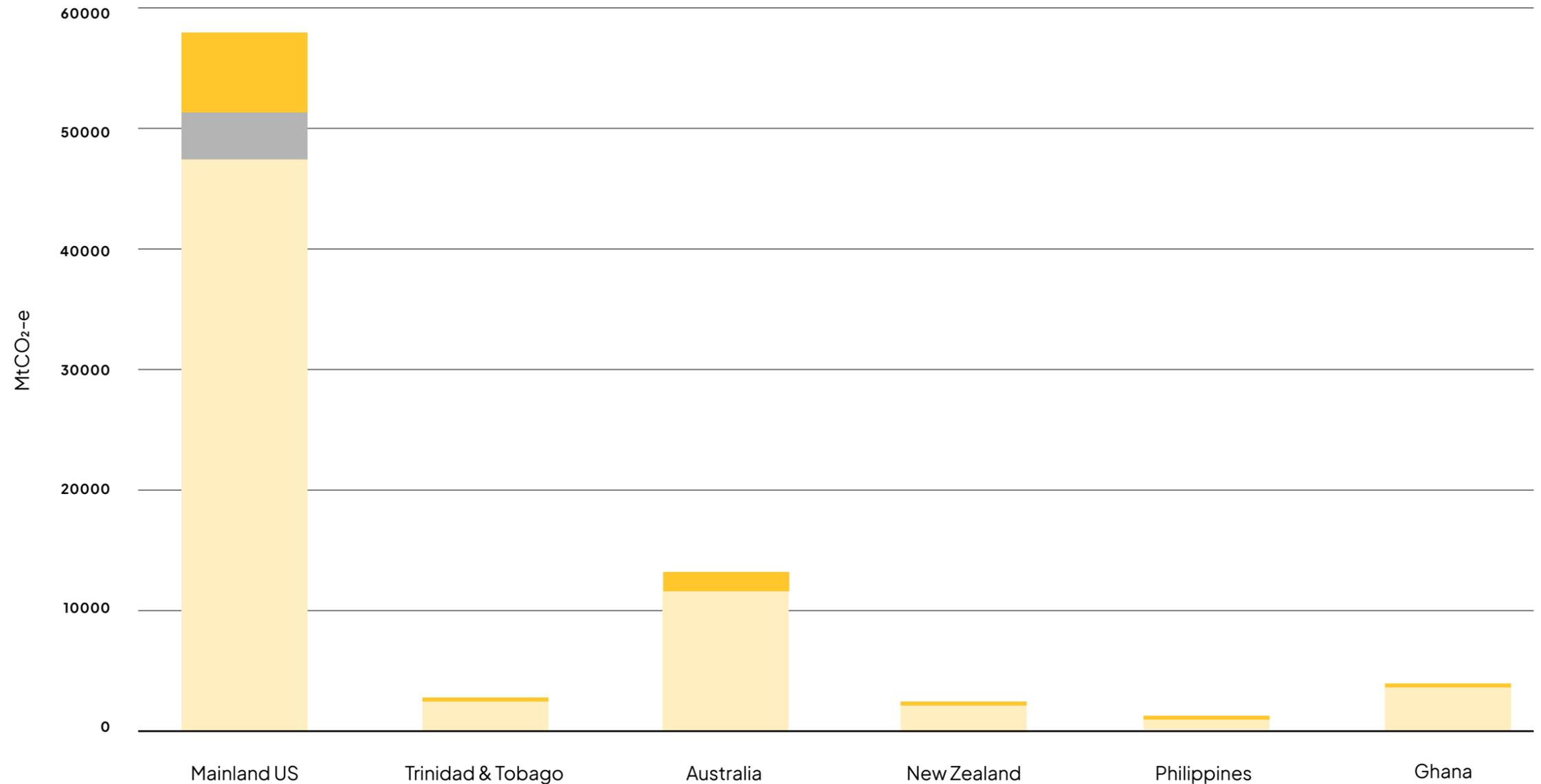
## 2019 PHI GHG EMISSIONS

Operations at each PHI location in 2019 had varying GHG impacts, which are also directly tied to the number of aircrafts, employees, and annual flight hours. Figure 2 (right) shows the variation between the six locations in 2019. Mainland United States has the highest number of aircrafts and employees and flight hours, also resulting in the highest GHG emissions.

Mainland United States has the greatest number of aircrafts, employees, and flight hours, also resulting in the highest GHG emissions.

Figure 2. 2019 GHG Emissions by geographic location

SCOPE 1   SCOPE 2   SCOPE 3 (Priority Only)





# POSITIVE IMPACT

Committed to offering our services in a more efficient and environmentally friendly way

# GHG footprint methodology

## BASIS OF DATA

As part of the Request for Information spreadsheet issued by external sustainability consultancy, Arup, to better understand PHI's baseline performance in environmental, social, and governance topics, PHI compiled available data for all active operating regions in 2019. Data received from the mainland Americas, Trinidad and Tobago, Australia, New Zealand, Philippines, and Ghana has provided a functional snapshot of emissions activity. Where data was not available, information was scaled using the most applicable resources. This serves as a baseline from which to build on for future GHG inventories and can be leveraged to make comparisons between operating areas, as well as develop informed projections for future emissions.



GHG FOOTPRINT METHODOLOGY

**DIRECT SOURCES**  
**SCOPE 1**

PHI’s 2019 scope 1 emissions comprised of non-stationary fuel combustion, which encompassed use of ground fuel diesel, aviation fuel (Jet A-1), and ground fuel gasoline, as well as stationary combustion, or natural gas use. Emission factors from the 2020 US EPA (Environmental Protection Agency) [GHG Emission Factors Hub](#) were used to convert fuel and natural gas use into CO<sub>2</sub>-e emissions. Emission factors from 2020 were used as 2019 factors were not publicly available.

For locations where ground vehicle fuel use for diesel and liquid petroleum gas was not provided, known fuel use data from New Zealand and the number of flight hours in each location were used to scale these values. Flight hours were deemed the most sensible method of scaling missing data throughout the RFI. Due to data unavailability for the number of flight hours in Ghana’s flight hour number, an average of flight hours in Trinidad and Tobago and the Philippines was used as a placeholder as all three locations have two aircrafts each. Given these extrapolations, total scope 1 emissions across PHI were 67,078 Mt CO<sub>2</sub>-e.

Emissions from Jet A-1 aviation fuel made up the majority of the scope 1 total with 66,379 Mt CO<sub>2</sub>-e, and mainland Americas exceeding two thirds of the share. Jet A-1 fuel usage was not provided for the Philippines, which was reconciled by using a proportion of known global Jet A-1 fuel use per flight hours.

Ground fuel vehicle diesel, liquid petroleum gas, and facility natural gas use were much smaller contributors to scope 1 emission across all regions. This is partially attributed to the fact that natural gas was only used on-site in the mainland Americas bases. Other operating regions of PHI were assumed to have no emissions associated with natural gas usage.

**Scope 1 – Emission factors**

Emission Source	Unit	Emission Factor (Mt CO <sub>2</sub> -e per unit)
Jet Fuel	Gallon	0.0098
Ground Fuel Diesel	Gallon	0.0103
Liquid Petroleum Gas	Gallon	0.0058
Natural Gas	Therm	0.0053

## GHG FOOTPRINT METHODOLOGY

## ELECTRICITY

### SCOPE 2

Scope 2 emissions are comprised of electricity generation, as this was the only energy use type reported by PHI's operational bases. Electricity use was provided by all of PHI's operating regions apart from Ghana, for which usage was scaled based upon number of flight hours and electricity usage of other regions' data.

Grid emission factors widely vary by region of operation (see Table 2). The US EPA eGRID grid emission factors of 2019 were used for the Boothville, Houma East and North, and Lafayette bases in Louisiana, as well as for the Galveston base in Texas. In the United States, eGRID emission factors are delineated by geographical subregion, which explains the difference in coefficients across states and even across cities of Louisiana.

2019 grid emission factors for Trinidad & Tobago and the Philippines were retrieved from the International Renewable Energy Agency's energy profile report for each respective country.

New Zealand has the cleanest electricity grid of all PHI locations with renewables having comprised over 84% of electricity grid generation in 2018 (New Zealand Ministry of Business, Innovation and Employment). This translated to a low grid emission factor of  $1.01e-4$  Mt CO<sub>2</sub>-e/kWh in 2018, which was retrieved from the 2020 New Zealand Ministry for the Environment's guide for emission measurements.

In Australia, the mean of the territory-specific scope 2 emission factors listed in the 2019–2020 amendment for the National Greenhouse and Energy Reporting Measurement Determination were used. The relatively high grid emission factor can be attributed to the fact that the national mean of territory grid factors was used. With access to PHI's heliport locations in Australia, territory-specific emission factors would have been utilized, which may have resulted in a lower and more accurate coefficient.

The Energy Commission of Ghana published National Energy Statistics for years 2008–2017 in 2018, from which the grid emission factor used in this footprint originates.

#### Scope 2 – Electric utility grid emission factors

Location	Grid Emission Factor (Mt CO <sub>2</sub> -e/kWh)
New Zealand	$1.01e-04$
Louisiana (SRMV)	$3.67e-04$
Texas (ERCT)	$3.96e-04$
Ghana	$4.30e-04$
Louisiana (SPSO) - Lafayette	$4.57e-04$
Trinidad & Tobago*	$5.18e-04$
Australia	$6.70e-04$
Philippines*	$6.83e-04$

\*Grid emission data only reflects CO<sub>2</sub>, and does not include CO<sub>2</sub>-e factors to include CH<sub>4</sub>, and N<sub>2</sub>O.

GHG FOOTPRINT METHODOLOGY

# INDIRECT SOURCES

## SCOPE 3

Scope 3 emission types requested for this footprint included domestic and international business air travel, road travel, freight, and waste. For the purpose of the 2019 footprint, business travel by air and waste were classified as priority sources of scope 3 emissions. The numbers of flight hours in each region were used to scale domestic and international flight mileage of Australia, New Zealand, and Philippines, as only a total for these three countries was provided. Scaling based on the total known flight mileage and flight hour numbers was used for the mainland Americas, Trinidad and Tobago, and Ghana where data was unavailable.

Similarly, for waste, the given numbers of flight hours per region provided by PHI were used to scale the weight of office and logistics waste for Australia, New Zealand, and the Philippines, as only a total for these regions was received. Since the mainland Americas did not have logistics waste data available and Ghana had data for neither office nor logistics waste sent to landfill available, waste data provided from other regions and the corresponding total flight hour number were used to determine the weight of waste where needed.

Appropriate emission factors from the US EPA GHG Emission Factors Hub were used to convert the weights of office and logistics waste and flight mileage into CO<sub>2</sub>-e emissions. The municipal solid waste emission factor was used for both office and logistics waste, as both categories were noted as waste sent to landfills.

Since the origin and destination locations for domestic and international flights were not provided, the emission factor for short haul flights was applied uniformly to mileage classified under domestic flights. Similarly, for mileage accrued by international flights, the emission factor for long haul flights was applied. A caveat of this is that mileage from longer-than-average domestic flights may have been multiplied by an underestimated emission factor, while mileage from shorter-than-average international flights may have been multiplied by an overestimated emission factor. Future footprints should consider the start and end points of these flights to offer a more accurate delineation between flight types and the appropriate emission factor that is most applicable. Business travel data for all PHI locations should also be accounted for in future footprints through coordination with PHI's travel agency.

### Scope 3 – Emission factors

Emission Source	Unit	Emission Factor (Mt CO <sub>2</sub> -e per unit)
Domestic air travel	Mile	2.17e-4
International air travel	Mile	1.66e-4
Municipal solid waste	Short ton	0.63

## SUSTAINABLE AVIATION FUELS

Aircraft fuel use is PHI's largest emissions source. With long-term business value in mind, we are pursuing sustainable aviation fuel (SAF) as part of our effort to reduce carbon emissions. SAF is the term preferred by the aviation industry because the scope of the use of this term is broader than aviation biofuels. SAF may also be referred to as sustainable, synthetic, semi-synthetic aviation fuel or similar terms, which all align with the following information. Biofuels generally refer to fuels produced from biological resources consisting of plant or animal material.

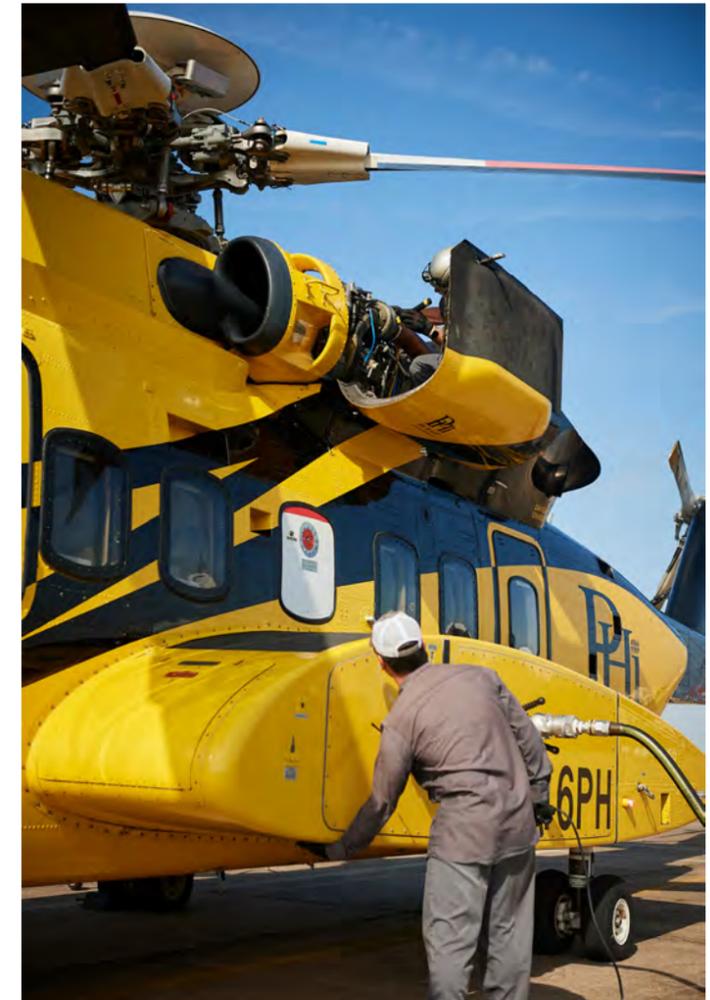
### Benefits of SAF

SAF has shown reductions of up to 80% in carbon emissions over the lifecycle of the fuel compared to traditional jet fuel. The lifecycle consists of the following stages: (1) production at source, such as feedstock cultivation; (2) feedstock harvesting, collection and recovery; (3) feedstock processing and extraction; (4) transportation to fuel production facilities; (5) feedstock to fuel conversion processes; (6) fuel transportation and distribution; and (7) fuel combustion in an aircraft. Emissions reductions to date have been quantified from lifecycle stages 1-6, and continued research and development will be required to determine the GHG emission factor reduction associated with fuel combustion.

In addition to the carbon emissions reductions, other benefits from SAF include fewer fuel impurities which is expected to reduce sulphur dioxide and particulate matter in combustion emissions, diversification of fuel supply, and improved fuel efficiency. The majority of existing PHI aircrafts are compatible with SAF, and manufacturers are optimizing new models for compatibility and maximum efficiency.

We are currently engaged as part of the Sustainable Aviation Council Aotearoa, which is working with the New Zealand government to develop a mandate on bio-fuel usage in New Zealand. PHI will review opportunities for strategic engagement with additional regional and international organizations supporting the development of SAF.

PHI is committed to exploring the use of SAF, and it is our goal to better understand the core issues surrounding its supply and demand.



# 05

The world is changing rapidly as the impacts from a changing climate are ever present. This is our opportunity to address this global challenge together to position PHI for a thriving future. Annual sustainability reports and GHG inventories will be completed to ensure transparency internally and externally on these efforts.

## Looking ahead



## FUTURE REPORTING

For PHI's annual sustainability progress reports, each of the 12 priority strategy leads should provide a summary on tasks completed and those in progress towards the KPI outlined.

Data collection across six geographically and operationally diverse locations is no easy task. As future GHG reporting is collected, a standard PHI template should be created to ensure that all required information is collected in a timely manner. As new global locations are developed, they should begin reporting GHG information when aircrafts for external clients are being used.

GHG inventory requests from clients who are including supplier impacts in their own GHG reporting will be most interested in PHI's scope 1 & 2 emissions. Organizational and operational boundaries for the reporting have not yet been defined but should be evaluated in the future to better delineate direct and indirectly controlled emissions.

More detailed information that can help to further diagnose potential reductions should also include the following from all locations:

- Facility areas (square meters/feet) and ownership status
- Refrigerant usage
- Aircraft ownership status
- Ground vehicle fleet information, ownership status and fuel usage (diesel and gasoline)
- Airline business travel (miles/kilometers).

Additional scope 3 categories for business travel, employee commuting and shipping should be reviewed on an annual basis to ensure that logistics or operational changes have not shifted where priority impacts should be tracked in the inventory.

# 06

## Sustainability stories



## SUSTAINABILITY STORIES

At PHI, we are already undertaking some amazing work to support our industry, keep our business resilient for the long-term and look after our teams and communities.

We've included some examples of initiatives from across our organization.



## Career development and advancement programs



**At PHI, we recognize that our employees are what set us apart. Our highly skilled teams are some of the best in the business, and we're committed to providing avenues for each individual to grow and reach their full potential. As part of that mission, we introduced two key development programs in 2020: our Search and Rescue Crewperson cadetship in Australia and our A&P Mechanic Apprenticeship in the United States.**

### SAR Cadetship

Our Australia SAR team undertook the search for motivated individuals (from any background with no experience required) to join our Search and Rescue Crewperson (SAR RCP) cadetship. 30 candidates were selected for interviews— with 10 chosen to attend ground evaluation week at PHI's Emergency Response & Safety Training facilities in Perth, Australia.

Putting the call out to the community allowed PHI to bring in a new wave of diverse talent. The four selected candidates made it through rigorous training and challenging interviews to earn a place on the program, and they are now well integrated into the team.

### A&P Apprenticeship

At PHI, the average tenure of our mechanics and maintenance technicians is 16 years. Our FAA-accepted program provides our mechanic apprentices an opportunity to have a full-time job where they can gain valuable real-world experience under some of the industry's most talented professionals while pursuing their A&P certification. By doing so, we're retaining and entrusting the legacy knowledge and experience of our teams to a new generation of PHI mechanics. And with our focus on hiring local employees, we have a positive impact on the economies of the communities in which we operate.



# TEAM SPIRIT

Nurturing a diverse and talented workforce

## The Human Dimension of Safety

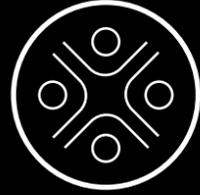


**In 2019, PHI introduced the Human Dimension of Safety as a fifth pillar of our company's safety management system. It is designed to recognize human performance as one of the most critical aspects of safety performance and outlines processes and procedures aimed at strengthening the mental, social and physiological well-being of all employees. In doing so, we have created a sustainable path to ensuring human factors remain at the forefront of our safety management efforts.**

Each and every day, the men and women on the frontline at PHI are facing and responsible for managing exposure to themselves and those around them. We believe that it is our responsibility as leaders to provide them with the best tools available.

Human performance is the result of the interaction of people, processes and technology. PHI is committed to ensuring our employees are empowered to take the steps necessary to optimize their mental, social and physiological wellbeing to maintain focus on daily job tasks without undue stress, anxiety, tension or fatigue.

In line with high reliability theories, from a resilience perspective, we recognize that our operations stay within the safe envelope and accidents are avoided because our teams read subtle cues, overcome or compensate for design shortcomings; adapt or adjust their performance to the demands; and interpret procedures to match the conditions. In this perspective, human performance is a critical asset, without which the proper functioning of modern technological systems would be impossible. Focusing on the mental, social and physiological wellbeing of our teams is critical if we want them to achieve optimal performance on a consistent basis.



# GLOBAL COMMUNITY

A positive presence in the communities where we operate

## Hurricane Ida Response (United States and Gulf of Mexico)



**Our United States Gulf of Mexico operations are no stranger to hurricanes, and our annual hurricane planning starts well ahead of the Atlantic hurricane season to ensure our teams are ready and prepared to get our team, customers and assets out of the path of any storm.**

PHI's hurricane plan consists of five highly-detailed phases based on the severity of the threat of a potential storm: 0 – operations normal; I – alert; II – pre-evacuation; III – evacuation; and IV – remobilization.

In August 2021, Hurricane Ida made landfall in southeast Louisiana as a high-end Category 4 storm. This had a severe impact to PHI operations:

- Evacuated 2,000+ inbound POB from offshore
- Evacuated 54 aircraft from Houma and Boothville to Galveston & Lafayette bases
- Evacuated approximately 120 PHI employees to alternate locations
- Safely and successfully transitioned our operations from one main base location to three new bases across two states
- Flew first passenger flights less than 48 hours after landfall.

**The impact on our PHI Employees was also huge:**

- 146 PHI employees and contractors directly impacted.
  - Of those affected, 38 reported significant damage to their property.

**Through our Employee Relief Efforts, PHI provided:**

- More than 9,000 gallons of fuel for home generators and vehicle fuel
- More than \$12,000 worth of relief supplies (non-perishable food items, toiletries, essential goods, gloves, mosquito spray, chain saw oil, gas cans, etc.)
- 16 hotel accommodations
- 34 volunteers to support daily employee relief efforts
- Financial assistance for 14 employees through the Black & Yellow Giving Back Foundation
- Hurricane Ida impacted nearly every aspect of our business, but despite the challenges, our teams came together to care for each other and our customers. These efforts show our commitment to our people, our customers and our community, and our proactive planning also demonstrates the dedication of PHI's leadership to do what is best for our business and the community.

## Local hiring (Ghana, Philippines, Trinidad & Tobago, Cyprus)



**It is our priority at PHI to create local employment and training opportunities in the places we operate and maintain a workforce located in close proximity to our operations. We are committed to making a positive contribution to local communities. Using the local expertise of our partners, we develop location-specific solutions to generate new and exciting opportunities for local people in the places where we operate.**

We have training and development programs in place for pilots (in Ghana) and engineers (in Ghana and the Philippines). We have a long-standing nationalization program in both the Philippines and Ghana, which has allowed us to build strong local employee bases. Through our program in Ghana, we have an entirely local management team.

Our Cyprus operations are also run by a majority local workforce, and we hope to build on our nationalization program there in 2022. In Trinidad & Tobago we have grown our local workforce significantly from 67% in 2018 to now 93% in 2021, and we also partner annually with the University of Trinidad & Tobago for an internship program for Bachelor of Science degreed & licensed engineers, from which we have hired new team members.



# BETTER FUTURE

Supporting and servicing  
the energy transition

## The PHI pilot project (New Zealand)



**In early 2020, PHI International was asked to provide data around the carbon emissions for our operations with Taranaki customer OMV. A working group was quickly established and after a steep learning curve, was able to produce the results for 2019 and 2020 to meet OMV's request.**

Following this, the team worked with a New Zealand consulting company to explore sustainability from a broader perspective and take steps towards creating more sustainable business practices across all of PHI Aviation. This involved shaping the foundations of our commitment (the PHI Sustainability Charter) and developing our four key pillars—Our Team, Our Community, Our Footprint and Our Business.

The pilot project was completed in April 2021 after having completed a number of smaller projects, including the measurement of carbon emissions in New Plymouth; developing the PHI Sustainability Charter; creating the outline of a Sustainability Strategic Framework; joining the New Zealand Sustainable Business Council; setting up a credited Carbon Measurement programme with Toitū (carbon emissions agency); and research into sustainability tools available locally and beyond. Carbon emissions measurement is one of many practices that PHI's people will learn more about to help drive progress towards our sustainability goals.

In December 2021, PHI's New Zealand operations were awarded 'carbonreduce' certification from Toitū, proving that we are acting against climate change. This independently audited process saw our New Zealand operations accurately measure and work to reduce greenhouse gas emissions. It also means our New Zealand business unit is certified in accordance with ISO 14064-1, giving the team the ability to make carbon reduction claims with confidence in any market.

## Waste project (Trinidad & Tobago)

Responsible fuel waste  
collection + disposal



Since 2018, PHI's Trinidad operations have been responsibly disposing of waste fuel. PHI receives certificates of recycling from Kaizen (Environmental Services (Trinidad) Limited) for every scheduled collection of our waste fuel. Kaizen collects barrels (only once they are full) from PHI and takes them to their waste treatment facility.

Kaizen's waste treatment facility is supported by a state-of-the-art laboratory KaizenLAB—this allows for the immediate profiling of all incoming waste streams and real time analytical monitoring of the bioremediation and all other treatment/remedial processes.

To date, Kaizen has achieved the following processing and disposal milestones:

- 253,000 m<sup>3</sup> / 164,000 tons of contaminated soils have been bio-remediated at the site
- 380,000 Kg of solid waste has been incinerated
- 3,750,000 L of chemical waste has been destroyed by incineration
- 15,000 m<sup>3</sup> of waste has been stabilized
- 65,000 m<sup>3</sup> of pH sensitive waste has been neutralized/ pH adjusted.

PHI's collection of waste fuel to date has been:

- 2018 - 8 barrels
- 2019 - 6 barrels
- 2020 - 4 barrels
- 2021 - 4 barrels

### Re-use of fuel samples

The PHI Trinidad team has also taken on another sustainable initiative whereby the team is reusing fuel from the fuel reclamation unit. Before each day of flights, pilots test the fuel to make sure there is no water in the fuel before they fly. Standard practice in the industry is that fuel that is tested is disposed of and wasted. However, the team in Trinidad wanted to re-use this fuel to be more sustainable.

Two samples from each aircraft are taken each time the fuel is tested (this is roughly x2 large mayonnaise bottles) and are put into the reclamation unit. The unit has provisions for separating water from the fuel.

When the reclamation unit becomes full, the team takes the fuel and puts it back into the fuel tanker, rather than wasting it. It is a small but important step to reducing fuel waste and helps to reduce fuel costs and consumption.



# OUR BUSINESS

Responsible and ethical in all we do

## Diversifying into offshore wind



**PHI's extensive experience in the offshore energy industry sets us apart and demonstrates our ability to deliver services that meet and exceed the needs of the offshore wind industry—both in support of construction and ongoing maintenance of wind turbines.**

In May 2021, Chief Commercial Officer Cory Latiolais spoke at the biggest offshore wind conference in the United States (US Offshore Wind 2021) about the natural fit between helicopters and offshore wind operations. The demand for offshore wind energy has never been greater, and PHI has never been better positioned to capitalize on our deep understanding and experience in the offshore energy sector.

With the ability to operate in sea state conditions, helicopters can reduce or even eliminate the need for other traditional forms of transportation for offshore wind developments. Recent studies also show that occupational injuries are 170% higher when travelling to and from offshore wind farms in standard modes of transportation.

Crew transportation by helicopters offers the lowest CO<sub>2</sub>-e per passenger mile of any currently available offshore transportation option, producing half the amount of emissions on a per passenger basis. With continued advancements in helicopter manufacturing and engine technology, we expect emissions to reduce even further in the coming years.

Our flexibility, technology and dedication to safety—combined with our investments in aircraft, crews and facilities—makes us the best partner for the industry.



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