



2024

Environmental, Social and Governance Report

2024 ESG Report

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INSPIRING THE PERFORMANCE OF TOMORROW ⁷

VSE
CORPORATION

A Message from Our President & CEO

I am pleased to introduce VSE Corporation’s 2024 ESG Report, showcasing our commitment to integrating environmental, social, and governance principles into our strategy and operations. At VSE, our mission is clear: to deliver trusted solutions that drive the performance of tomorrow. This mission extends beyond our customers and industry partners—it also guides our responsibility to generate sustainable value for our stockholders and make a lasting impact on the communities where we live and work.

Over the past year, we have made tremendous progress in transforming our business. We successfully divested our Federal & Defense Services segment, acquired two leading commercial aviation aftermarket businesses, integrated new capabilities, and launched an advanced manufacturing initiative. These strategic actions were achieved during a period of record Aviation revenue growth and sustained operational excellence across our businesses. As our company evolves, so does our responsibility to be a force for positive change. Embedding sustainability principles into our strategy is a driver of long-term success.

Our Progress in 2024

- **Driving Environmental Sustainability:** Sustainability is at the core of our operations. Through our expert Maintenance, Repair, and Overhaul (MRO) services, we extend the lifespan of critical assets, reduce waste, and optimize resource efficiency. We continue to identify and implement impactful energy conservation and waste reduction initiatives across our facilities and supply chain. The recent addition of a dedicated Sustainability and Facilities Specialist will support additional initiatives in the year to come including sustainability

strategy development, energy management, waste reduction, sustainability reporting and education, green certifications, and vendor/contractor partnership and support programs.

- **Empowering Our People:** Our success is driven by our people. We are committed to fostering a dynamic, diverse, and inclusive workplace where employees feel valued and empowered. Our leadership development programs, skills-based training, and career growth initiatives equip our team with the tools needed to innovate and lead in an evolving industry.
- **Living Our Values:** Our values — Own It, Customer Obsessed, Results Matter, Speak Up, and Better Together — define our culture and serve as the foundation of our success. These principles guide our actions, promote accountability, and foster collaboration across all levels of our organization.





- **Supporting Our Communities:** Through our VSE Cares program, we are strengthening the communities where we work and live. Our team actively participates in volunteering efforts, charitable giving, and partnerships with local organizations to drive positive social and economic impact.
- **Prioritizing Ethics & Compliance:** Strong corporate governance is the backbone of a sustainable and high-performing company. We continuously enhance our ethics and compliance programs to uphold the highest standards of integrity, implement new data security measures, and provide skills-based compliance training for employees. These efforts reinforce stakeholder trust and position VSE for long-term success.

As we look ahead, we remain steadfast in our commitment to sustainability, innovation, and responsible growth. By working together with a continuous improvement focus, we will build a more resilient, sustainable, and successful future.



John A. Cuomo

President & CEO | VSE Corporation

About VSE Corporation

VSE Corporation is a leading provider of aftermarket distribution and repair services. Operating through its two segments, VSE significantly enhances the productivity and longevity of its customers' high-value, business-critical assets. The Aviation segment, operating under the name VSE Aviation, is a leading provider of aftermarket parts distribution and maintenance, repair, and overhaul (MRO) services for components and engine accessories to commercial and business and general aviation (B&GA) operators. The Fleet segment, operating under the name Wheeler Fleet Solutions, specializes in parts distribution, engineering solutions, and supply chain management services for the medium to heavy-duty fleet market.



Overview: Aviation aftermarket parts distributor and MRO services provider of technical and proprietary parts
Channels: Commercial, Business & General Aviation
Capabilities: Distribution, MRO Services, and OEM Licensed Manufacturing



Overview: Medium to heavy-duty vehicle parts distributor and provider of custom engineered solutions
Channels: Commercial Fleet, E-Commerce Fulfillment, and United States Postal Service
Capabilities: Distribution, Supply Chain Management, Technical Support, and Engineering Solutions

Segment Specific Capabilities

VSE Aviation

Our Aviation segment is a leading provider of aftermarket parts distribution and MRO services for components and engine accessories to commercial and B&GA operators. We offer fully integrated, bespoke aftermarket solutions combining both distribution technical sales and MRO capabilities.

Our Distribution sales channel is focused on supporting high-value, technical, proprietary products that are produced by the industry's leading aircraft engine and component original equipment manufacturers (OEMs). The proprietary nature of these products, combined with our product line management approach, allows our Distribution sales channel to provide differential support and services to our customers.

Our MRO services sales channel is focused on OEM authorized component and accessory repairs around the engine and airframe. We have a broad range of capabilities supporting hundreds of engine platforms and airframes across the commercial and B&GA markets.

Our newest capability is OEM Licensed Manufacturing, where our Aviation segment exclusively manufactures and supports certain fuel controls, fuel pump systems and related subcomponents for over 25,000 in-service aircraft. This capability expands our portfolio of services and allows us to provide end-to-end solutions from manufacturing to distribution to repair for these high-value product lines.



Distribution

- Proprietary OEM products represent 85%+ of the portfolio
- Dedicated technical product line management team supporting exclusive supplier relationships

MRO Services

- Technical component and engine accessory repairs
- Value added services
- Rotable exchange offerings
- Used Serviceable Material (USM) sales

Segment Specific Capabilities

Wheeler Fleet Solutions

At Wheeler Fleet Solutions, we leverage our expertise in parts distribution, supply chain management, and engineering solutions to provide exceptional value and support for our customers across the medium to heavy-duty fleet market.

We cater to the diverse needs of our customers through three dedicated sales channels — Commercial Fleet Sales, E-Commerce Fulfillment, and the United States Postal Service.

Commercial Fleet Sales

- Expansive portfolio of name-brand OEM products
- Engineering solutions
- 500+ WheelerFit (PMA) parts

E-Commerce Fulfillment

- 320,000+ aftermarket parts
- Expansive portfolio of name-brand OEM products
- Agile data analytics capabilities integrated with fulfillment partners
- Supported by a dedicated 450,000 square foot facility in Olive Branch, MS

United States Postal Service

- Over 35-year history of industry knowledge with customer
- Inventory management services
- Engineering solutions



VSE Culture: Our Core Values

VSE Corporation's core values are the foundation of our business and employee culture, guiding every action we take. Built upon open dialogue, teamwork, accountability, and achievements, these values provide stakeholders with a clear road map for fostering a positive culture and achieving business success.



Better Together

We collaborate to win



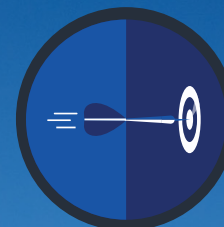
Speak Up

Raise your Voice -
Raise the Bar



Results Matter

We inspire and deliver
the key results



Own It

Accountability is
my responsibility



Customer Obsessed

Our exceptional service
sets us apart

Environmental

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Environmental Sustainability

Our Approach

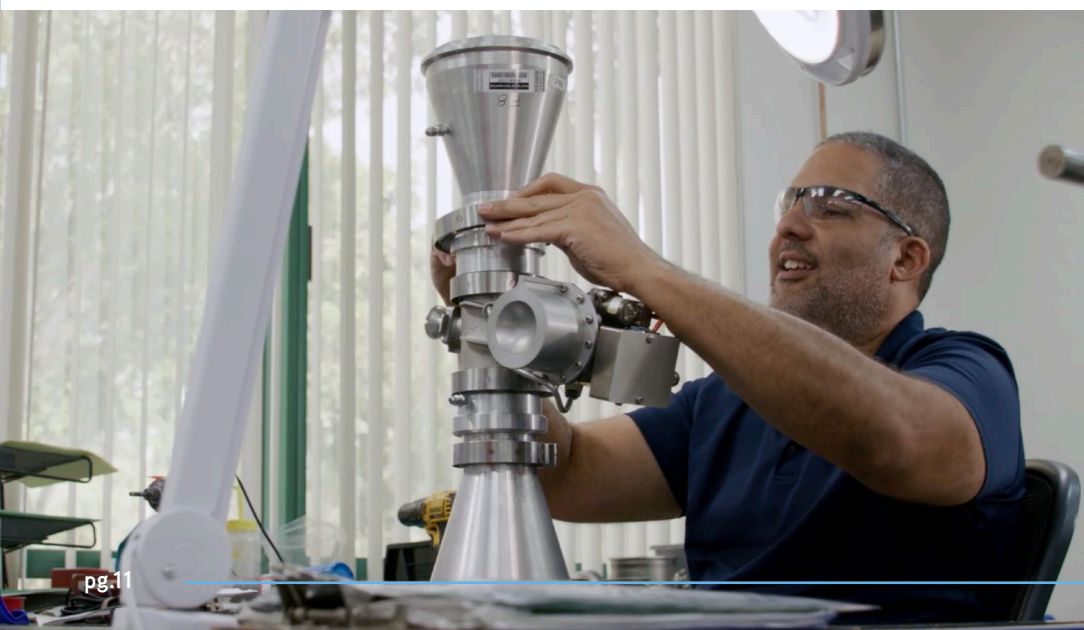
At VSE, we are committed to environmental sustainability and continuously evaluate our footprint across all business segments. Through strategic industry partnerships, we not only mitigate our impact, but also drive broader advancements in sustainable practices.

Sustainability is deeply embedded in our Maintenance, Repair, and Overhaul (MRO) services for components and engine accessories supporting commercial and business and general aviation operators. Our MRO network extends the lifecycle of critical parts by restoring them to full functionality and reintegrating them into the market — reducing waste and conserving valuable resources.

Additionally, our distribution pipelines incorporate used, fully-functional asset components sourced from teardowns and other channels. By keeping these components in circulation, we support a more sustainable and efficient aftermarket ecosystem.

Within our facilities, we uphold the highest standards of environmental stewardship, actively reducing waste, promoting material reuse, and prioritizing energy-efficient practices.

At VSE, sustainability is more than a commitment—it's a responsibility. We remain steadfast in our pursuit of environmental progress, ensuring a greener future for the aviation industry.



In 2024, approximately **35% of VSE Aviation's revenue** comes from **repairing and restoring** aircraft components to full functionality and **redistributing these parts** back into the market.

Segment Specific

Environmental Initiatives

Aviation Segment

- Onboarded an Environmental, Health & Safety and Facilities Manager to oversee facility operations while advancing sustainability initiatives across the Aviation segment.
- Hired a Sustainability & Facilities Specialist in early 2025 to develop an energy management road map, drive waste reduction efforts, lead organization-wide sustainability reporting and education, manage green certifications, and oversee vendor relations.
- Sustained the use of biodegradable materials for approximately 80% of all boxes and shipping packaging at VSE Aviation's Kansas facility.
- Harvested, repurposed, recycled, and sold over 51,000 aircraft parts.
- Expanded recycling efforts for metal scrap, internal packing materials, cardboard boxes, computers, printers, batteries, cans, and plastics.
- Continued to support aircraft engine on-wing maintenance through the distribution of line-replaceable units under an ongoing agreement with Pratt & Whitney Canada. This program enhances sustainability by extending the lifespan of engines and accessories while reducing unnecessary waste.
- Continued our joint initiative with Conidia Bioscience to distribute a fuel testing kit, enabling proactive detection of fuel contamination to prevent corrosion and reduce unnecessary fuel disposal.



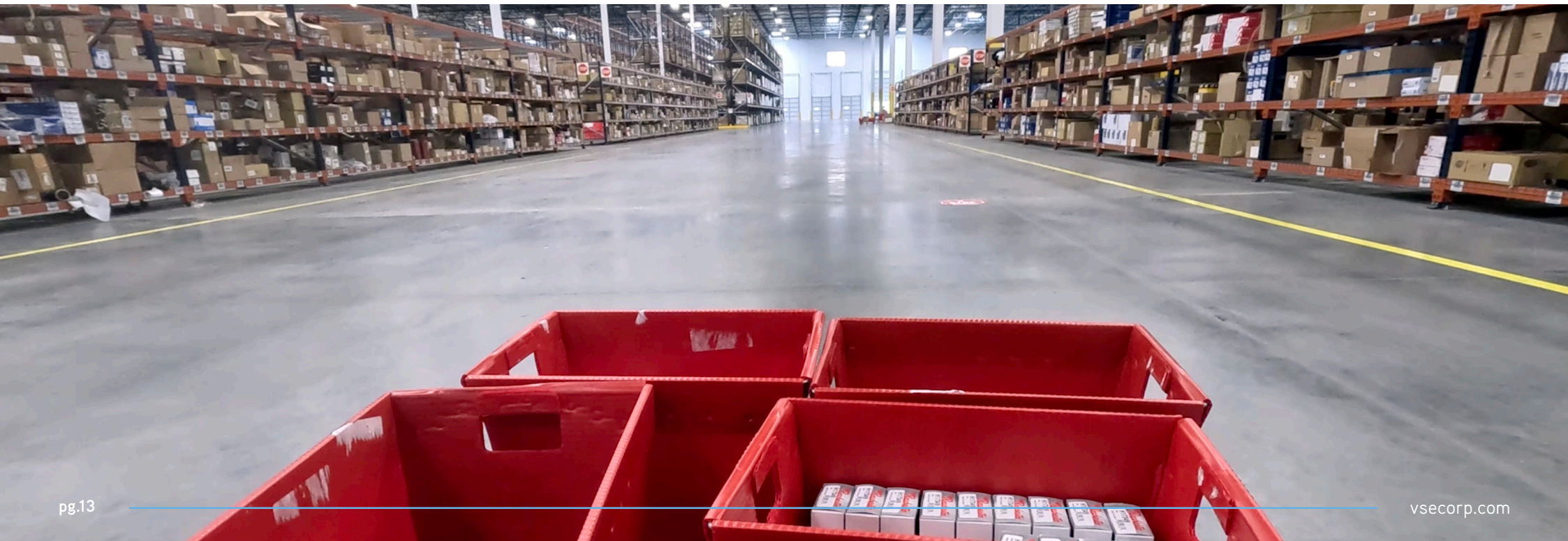
VSE works with Southwest Airlines® to support the retirement of its Boeing 737NG fleet, providing end-of-life asset management services. Working with vendors, we carefully remove aircraft components, restore them to full functionality, and reintegrate them into the market for reuse. Around **39,000 pounds of metal from each aircraft is recycled**, with the teardown and parts resale process **repurposing nearly 90% of the aircraft**, contributing to a more sustainable aviation lifecycle.

Segment Specific

Environmental Initiatives

Fleet Segment

- Reduced hazardous waste generation by phasing out painting operations at the Somerset, Pennsylvania facility.
- Recycled over 608,685 pounds of cardboard, paper, and plastic materials.
- Lowered emissions from employee commutes through telecommuting and remote work policies.
- Optimized inventory distribution across U.S. sites to reduce the environmental impact of shipping.
- Maintained robust recycling programs for paper, aluminum, plastic, batteries, and metal scrap across all facilities.



Sustainability Highlights

Our Facilities

We have been continuously strengthening our commitment to environmental sustainability by enhancing the efficiency of our energy and water usage, as well as addressing other climate-related aspects of our operations. We actively seek opportunities to reduce our environmental impact through proactive initiatives and responsible resource management. Our dedication to fostering a cleaner, safer workplace is reflected in our efforts to implement sustainable practices and drive long-term environmental improvements. Recent actions and facility upgrades include:

Miramar, FL (Corporate & Aviation Global Headquarters)

- Upgraded four rooftop HVAC units, increasing efficiency by 35% per unit.
- Installed programmable thermostats to optimize cooling during occupancy hours.
- Continued implementing an energy-efficient LED re-lamping strategy.
- Downsized a production compressor from 400 HP to 50 HP, reducing total compressor energy demand by 25%.
- Adopted a paperless quoting process and electronic daily reporting with infrastructure upgrades.
- Reduced single-use item consumption in breakrooms by installing dishwashers and planning water bottle filling stations for 2025.

Independence, KS (Aviation)

- Reduced paper consumption by enhancing digital record-keeping.
- Installed an energy-efficient HVAC system to optimize energy use.
- Recycled ~20,000 pounds of cardboard and dunnage.
- Launched a shuttle program transporting up to 15 people across three neighboring cities in Oklahoma, reducing commuter emissions.
- Continued transitioning to energy-efficient LED lighting through a strategic re-lamping initiative.

Doral, FL (Aviation)

- Implemented a paperless system for quotes and sales to reduce waste and improve efficiency.
- Continued using an electric forklift to lower emissions, reduce noise pollution, and decrease operating costs compared to the previous gas-powered model.
- Maintained energy savings from the prior installation of six high-efficiency 12 SEER-rated HVAC units.
- Reduced single-use item consumption in breakrooms by installing dishwashers and planning water bottle filling stations for 2025.

Montebello, CA (Aviation)

- Expanded the re-lamping initiative to enhance energy efficiency with LED lighting.
- Maintained the use of electric vehicle chargers, supporting sustainable commuting options for employees and visitors.

Bloomfield, CT (Aviation)

- Expanded the re-lamping initiative to enhance energy efficiency with LED lighting.
- Provided online access to manuals and technical data to minimize paper usage.

Augusta, KS (Aviation)

- Expanded the re-lamping initiative to enhance energy efficiency with LED lighting.

Somerset, PA (Fleet)

- Recycled approximately 514,000 pounds of cardboard, paper, and plastic materials.
- Advanced lighting upgrades across the facility by installing more energy-efficient fixtures, further reducing energy consumption.
- Continued transitioning from flooded-type forklift batteries to gel-type batteries, which offer a four- to five-times longer lifespan, eliminate off-gassing, and remove the need for regular watering.

Olive Branch, MS (Fleet)

- Recycled approximately 95,000 pounds of cardboard, paper, and plastic materials.
- Switched to biodegradable and sustainably sourced internal packaging, reducing the environmental impact of over 250,000 orders.



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Social Responsibility

Our People & Culture

At VSE, we recognize that our employees are our greatest asset. Their dedication to serving our customers and suppliers is the foundation of our success. We embrace and encourage inclusion and strive to build a culture and company environment supporting inclusivity. Our initiatives consist of our practices and policies on employee recruitment and hiring, professional training and development, employee engagement, and the development of a work environment built on the premise of inclusion. To attract, develop, and retain a talented workforce, we offer industry-leading benefits and celebrate the contributions of our team members — both within our company and in the communities in which we live and work.

A cornerstone of our corporate culture is fostering an inclusive environment that encourages everyone to SPEAK UP, recognizing that open communication leads to more effective and empowered employees. We also support Employee Resource Groups (ERGs), which are voluntary, employee-led groups that are open to all employees and provide a forum for employees and allies from a variety of backgrounds to share experiences and support our company's initiatives. By continuously investing in our workforce, we ensure that VSE is, and remains, an exceptional workplace where every individual has the opportunity to grow, thrive, and succeed.



Culture of Inclusion

Our Approach

At VSE, we are deeply committed to fostering an inclusive workforce, recognizing that a variety of perspectives, experiences, and backgrounds are essential to driving innovation, strengthening collaboration, and building high-performing teams. We actively seek out talent from a wide range of backgrounds, ensuring our employees reflect the communities we serve.

Our Culture: Speak Up

We value open and candid dialogue as a cornerstone of our culture, believing that great ideas can emerge from anyone, at any level within our organization. This is why “Speak Up: Let Your Voice Be Heard” is one of our core cultural values.

To facilitate this, we offer several channels for communication, including employee round tables, town halls, “stay” interviews, and our ethics hotline. These avenues ensure that everyone has the opportunity to engage in meaningful conversations and contribute to positive change.

Each quarter, we conduct an Employee Net Promoter Score (NPS) survey to gauge engagement across business segments. We actively review the results and take action to improve our scores, fostering a more engaging and enriching workplace culture.

Human Rights

At VSE, we believe that all individuals, whether employed by us or our third-party partners, should be treated with fairness and respect. Our Human Rights Policy and Code of Business Conduct and Ethics outline

the core principles that guide our commitment to ethical and responsible business practices, including a strict zero-tolerance stance on forced or child labor. We recognize our corporate responsibility to uphold these principles throughout our organization and to prevent any actions that could directly or indirectly infringe upon recognized human rights. Furthermore, we expect all stakeholders—employees, customers, suppliers, and business partners—to adhere to the principles of our Human Rights Policy and actively contribute to the protection of human rights globally.



Inclusive Leadership and Support

Our Inclusion & Diversity Advisory Council (“I&D Council”) is dedicated to developing a framework and action plan for inclusion initiatives across the organization. The I&D Council regularly organizes round table discussions open to all VSE employees, aimed at deepening engagement and raising awareness on key inclusion and diversity issues. These discussions foster a culture that values inclusive behavior in our workplace.

Since its inception in February 2021, the I&D Council has engaged hundreds of VSE employees in these round tables, addressing important topics such as embracing cultural diversity, inclusion, and generational differences. These conversations help identify common ground and shared solutions that enhance mutual understanding and collaboration across our organization.



In May 2024, we hosted an I&D Leadership Summit with the I&D Council and the leaders of our Employee Resource Groups (ERGs). The summit featured interactive workshops designed to strengthen awareness of organizational belonging and develop new strategies for building inclusive teams. Additionally, the summit provided a platform for brave leadership dialogue, fostering an environment of open communication and growth.

Inclusion Training

As part of our ongoing commitment to building an inclusive culture, we have partnered with Eskalera, an online training platform designed to enhance awareness and foster collaborative, high-performing teams. This training equips our employees with the knowledge and skills needed to thrive and lead in an inclusive environment.

Initially available exclusively to our People Leaders, we expanded access in 2024 to include ERG leaders and high-level individual contributors, empowering them to drive greater impact across the organization. Looking ahead, we plan to roll out this training to all remaining employees in 2025 and beyond, further strengthening our inclusive culture at every level.

Employee Resource Groups

Embracing the principles of inclusion and diversity, we drive progress through our Employee Resource Groups (ERGs), which serve as catalysts for creating inclusive environments and fostering a strong sense of community among our employees.

ERGs are voluntary, employee-led organizations that promote personal and professional development while amplifying diverse voices and perspectives. Each ERG is supported by an executive sponsor and a member of the I&D Council, ensuring alignment with our broader inclusion and diversity goals.



Mental Health & Mindfulness

In late 2024, we announced the launch of our new Mental Health & Mindfulness ERG, designed to create a supportive space for employees to explore mental well-being, reduce stress, and incorporate mindfulness into their daily work lives. The group will begin meeting in 2025, with a focus on addressing social anxiety and providing practical strategies to overcome it, as well as ways to support colleagues in their mental health journeys.



Women in the Workforce

The mission of Women in the Workforce (WITW) is to support women in realizing their full potential while encouraging, enabling, and facilitating their active involvement in their roles at VSE. By empowering women, promoting inclusion, shifting perceptions, and influencing company policies, WITW strives to create an environment of equality for all employees.

In 2024, WITW sponsored events centered around communication. The year kicked off with “The Courage to Be on Camera,” a session focused on the importance of visibility. This theme carried through as WITW offered opportunities for professional growth, such as giving members the chance to lead presentations at monthly meetings. These experiences were designed to build confidence, enhance presentation skills, and nurture a culture of continuous learning.

WITW also facilitated skill-building sessions on key workplace topics, including Cross-Cultural Communication, Managing Difficult Conversations, Conflict Resolution, and Providing Effective Feedback. To support employee well-being, WITW established three Wellness Rooms at various VSE sites, offering quiet spaces for relaxation and mental health support.

Through these initiatives, WITW continues to fulfill its mission of creating a more inclusive, supportive, and empowering environment for all employees.

PRIDE GROUP PRIDE Group

PRIDE raises awareness of LGBTQ+ members of the VSE community and their allies by fostering a safe and inclusive space to celebrate diversity. The group is built on four key pillars: Community, Awareness & Education, Leadership Communications, and Celebration. Open to all employees who are passionate about equality and supporting the LGBTQ+ community, PRIDE promotes understanding and inclusivity across the organization.

In celebration of Pride Month, and in alignment with its mission to cultivate an open and supportive workplace, the PRIDE ERG organized a series of initiatives, including distributing goodie bags, providing food for on-site locations, and sharing stories of trailblazing figures who have shaped LGBTQ+ history. Additionally, the group allocated funds from its annual budget to donate a mini fridge, bookcase, and live plants to the wellness room in VSE’s Miramar office, further enhancing workplace well-being and inclusivity.

LATINOS UNIDOS Latinos Unidos

Latinos Unidos is dedicated to supporting, uniting, and empowering Latinos and allies through personal and professional development. The group fosters awareness and understanding of Latino(a) and Latinx identities by collaborating with VSE employees from diverse cultural backgrounds. Open to all employees, Latinos Unidos provides a space to discuss topics such as ethnicity, mental health, and career growth.

In 2024, the Latinos Unidos ERG continued to enhance VSE’s corporate culture by hosting events such as a Hispanic Heritage Month celebration and an end-of-year potluck networking luncheon. The group also organized “Cafecito” sessions with executive leaders, offering employees opportunities

for meaningful discussions, valuable insights, and professional guidance. Additionally, Latinos Unidos hosted two professional development sessions focused on fostering open dialogue, strengthening connections, and encouraging authenticity among its diverse members.

VSE VETERANS VSE Veterans

The Veterans ERG is committed to providing support, mentorship, and a strong sense of community for military veterans and allies. Through strategic discussions, the group fosters a robust network, shares valuable resources, and engages in meaningful conversations on topics relevant to post-military life. This initiative reflects our dedication to helping veterans transition to civilian careers while promoting a collaborative and inclusive workplace culture.

In 2024, the Veterans ERG hosted a representative from the Veterans Affairs Office specializing in veteran-specific medical benefits. The session provided members with valuable insights on health benefits, including guidance on coding, processes, and strategies for maximizing disability pay. Additionally, in honor of the military tradition of R.E.D. Friday (Remember Everyone Deployed), members received a special red VSE Vets t-shirt as a symbol of support for deployed service members.



Employee Benefits

Total Rewards Strategy

Attracting, developing, and retaining top talent is essential to our continued success. We recognize the importance of providing competitive compensation and benefits that support the diverse needs of our workforce. Our Total Rewards strategy is built on four key pillars—compensation and benefits, employee wellness, recognition, and learning and development—ensuring a comprehensive approach to fostering a thriving and engaged team.

Compensation and Benefits

We take pride in offering competitive, market-informed compensation and benefits designed to support our employees’ well-being. Our compensation philosophy is rooted in equity and a pay-for-performance approach. In 2024, we enhanced our benefits package by adding an additional week of bonding leave for both mothers and fathers, introducing Compassion Care Leave, expanding Bereavement Leave in specific circumstances, and providing surviving dependents with up to six months of continued medical, dental, and vision coverage.

Our suite of benefits for full-time employees based in the U.S. includes, among others:

- Comprehensive medical, dental, and vision insurance plans
- Paid Basic Life and Accidental Death and Dismemberment Insurance
- Supplemental Life Insurance

- 401(k) Retirement Savings Plan, with an overall 4% match and immediate vesting
- Paid holidays
- Employee Stock Purchase Plan
- Paid maternity/paternity and bonding leave
- Paid Short- and Long-Term Disability
- Tuition Reimbursement Program, with no lifetime maximum
- Employee Assistance Program
- Several voluntary plan options, including critical care, pet coverage, identity theft, and legal expense coverage
- Fitness credits for gyms and exercise passes

Employee Wellness

We are committed to supporting the holistic health and well-being of our employees through a range of benefits designed to promote mental, physical, and financial wellness. Our comprehensive Employee Assistance Program provides 24/7 access to mental health support, ensuring employees have the resources they need when they need them most.

To encourage physical wellness, we offer complimentary fitness studio and gym classes, providing opportunities for exercise, stress relief, and overall well-being. Additionally, we empower employees to take control of their



financial health by offering access to financial seminars and one-on-one financial counseling. These initiatives reflect our dedication to fostering a workplace culture that prioritizes the well-being of our employees in every aspect of their lives.

Recognition

Employee recognition is a fundamental part of our company culture, serving to motivate and celebrate employees for their contributions to VSE’s success. By acknowledging the dedication and hard work of our team members, we enhance job satisfaction, boost productivity, and foster a more engaged workforce.

At VSE, recognition is embedded in our culture, with programs designed to honor employees who exemplify our core values. Each business segment customizes its recognition initiatives to reflect the unique contributions of its team members, ensuring meaningful and impactful acknowledgment across the organization. Examples include the following:

Corporate: Each quarter, individual contributors in our Information Technology and Human Resources teams have the opportunity to be recognized as an “Iron Tech” or a “HeRo,” respectively. These accolades celebrate employees who exemplify our core values, as nominated by their peers and the business partners they support across the organization.

Award recipients receive a monetary bonus as a token of appreciation, along with formal recognition in the VSE newsletter and a commemorative certificate honoring their outstanding contributions.

Aviation: Within our Aviation segment, we have implemented an innovative online recognition platform called “Thanks,” designed to foster a culture of appreciation and peer-to-peer recognition. This platform enables employees to acknowledge their colleagues’ achievements by posting commendations or nominating them for monetary rewards.

Employees can also earn points through the platform, redeemable for gift cards or items of their choice. In 2024 alone, more than 300 employees were recognized on the “Thanks” platform for their valuable contributions.

Wheeler: Wheeler continues to strengthen its recognition and rewards program by fostering an inclusive and meaningful approach to celebrating employee achievements. Employees can be recognized by executives, their managers, managers from other departments, or even their peers, ensuring that contributions at all levels are acknowledged.

In 2024, 324 employees were recognized for their contributions, with acknowledgments tied to specific core values and cultural beliefs. To further amplify these achievements, recognized employees and their accomplishments were featured in the Wheeler Wire newsletter, enhancing visibility and reinforcing a culture of appreciation across the segment.

Additionally, Wheeler hosts quarterly Years of Service luncheons, bringing employees together to celebrate and honor long-tenured colleagues for their dedication and lasting impact on the organization’s success.

Employee Learning and Development

Our organization is deeply committed to fostering a culture of continuous learning and professional growth. Through comprehensive training programs, we aim to enhance the skills, knowledge, and career development of our employees.

Our Leadership Essentials training program is a 14-week course designed to equip people leaders with foundational leadership skills. It focuses on key areas such as delivering results, accountability, communication, team management, motivation, and customer service. Additionally, we provide internships, apprenticeships, on-the-job training, and structured career development pathways to support long-term employee growth. Our Food for Thought program, held quarterly, brings leaders together to share insights and discuss leadership challenges.

In 2024, we launched two new programs called the Formal Mentoring Program and the Future Leaders Program.

Our Formal Mentoring Program fosters professional development by pairing experienced mentors with mentees, providing structured guidance, knowledge sharing, and skill-building opportunities to support career advancement and leadership development.

The Future Leaders Program identifies key leadership behaviors and assesses personal leadership effectiveness. This program aligns participants with our company values, practices, and leadership expectations to drive excellence across the organization.

Employee orientation includes essential training on business conduct and ethics, workplace harassment and violence prevention, cybersecurity, and

other critical topics. By integrating these principles into our on-boarding process, we ensure that our values and workplace culture are instilled in every new VSE employee.

We also encourage continuous learning through our Tuition Reimbursement Program, which has no lifetime maximum, allowing employees to pursue further education and professional certifications. Additionally, we conduct Talent Succession Assessments annually alongside performance reviews, offering regular feedback, coaching, and personalized development plans to support individual career growth.



Community Events

Charitable Activities

Throughout 2024, employees across all our business segments actively contributed to various charitable initiatives and community outreach programs. Their dedication to giving back reflects our commitment to making a meaningful impact. Below are some of the key highlights from 2024's events:



Rebuilding Augusta Castle Park

Castle Park, a beloved recreational area near the city lake, once featured walking paths and a splash park for the Augusta, KS community. Unfortunately, due to structural deterioration over the years, the park was demolished in March 2022. Determined to restore this cherished landmark, a dedicated committee spent two years planning, fundraising, securing grants, and gathering donations to rebuild and expand the park into an 11,000 sq. ft. space designed for fun and connection.

VSE Aviation was proud to contribute to this transformative project, both financially and through hands-on volunteer efforts. Our team enthusiastically participated in various tasks, including painting, constructing structural components, spreading gravel, and installing pickets for the playground fence. This collaborative effort not only helped bring the vision to life, but also fostered skill development and a deeper bond with the community.

Thanks to the hard work of thousands of volunteers, VSE Aviation played a vital role in completing this extraordinary project. The revitalized Castle Park now stands as a vibrant space that will bring joy, laughter, and lasting memories to generations of Augustans.

Industrial Park Cleanup Event

In March 2024, the Wheeler segment organized its inaugural industrial park cleanup event, with over 35 volunteers generously donating their time to collect trash from the property and neighboring facilities.

Back-to-School Supply Drive

VSE Aviation held its annual Back-to-School Supply Drive across facilities in the United States. Employees rallied together to make the school year extra special by donating a wide variety of supplies, including crayons, markers, glue sticks, pencils, highlighters, notebooks, and more. Thanks to their generous contributions, over 300 children in underserved communities received much-needed supplies to start the school year with confidence.

2024 Susan G. Komen More than Pink Walk & Fundraiser

Over 200 VSE employees, along with their families and friends from North America, Europe, and Southeast Asia, joined the VSE Aviation Support Squad for the Susan G. Komen More Than Pink Walk during October’s Breast Cancer Awareness Month. While several participants gathered in Miami, FL, others from locations outside South Florida participated in virtual walks near VSE Aviation facilities. Together, VSE raised over \$13,000, which will be directed toward breast cancer research, patient care, and advocacy efforts, making a meaningful impact in the fight against breast cancer.



Toy Drives

In December 2024, VSE hosted its 3rd Annual Toy Drive, where employees at VSE Aviation sites generously donated toys to children facing challenging living situations. These thoughtful contributions were distributed to families in financial need, foster children, and local school districts, spreading holiday cheer and making a positive impact on the lives of many young ones in the community.

Southern California Food Drive

From May 20th to June 7th, VSE Aviation partnered with Feeding America in Riverside and San Bernardino to host a successful food drive. Employees from our two California locations contributed over 200 shelf-stable food items, helping to support those in need and make a positive impact on the local community.



Wheeler Charity Squad

The Charity Squad organized a series of lunches, raffles, auctions, and community projects, successfully raising over \$12,000 in donations. These funds were distributed to several nonprofit organizations, including the American Red Cross, Boys & Girls Club of Somerset County, The Salvation Army, Make-A-Wish, and Meals on Wheels, helping to support their vital work and make a meaningful difference in the community.

Health, Environment, and Safety

Safety in the Workplace

At VSE, the health and safety of our employees, partners, and stakeholders are our foremost priorities. We are committed to cultivating a robust safety culture that centers on the well-being of everyone involved with our organization. Through ongoing training, continuous monitoring of safety metrics, and proactive risk assessments, we aim to create and sustain a safe, healthy work environment.

Our Health, Environment, and Safety (HES) program is specifically designed to minimize workplace risks and prevent injuries and illnesses. By equipping employees with essential training, resources, leadership, support, and the right equipment, we empower them to work safely and with confidence. Our comprehensive approach to health and safety includes:

- **Designated on-site safety leaders** at over 20 VSE locations, who regularly collaborate with safety consultants, risk management, and the HES program team to share safety best practices.
- **Safety training for employees**, both annually and through targeted site-specific training based on risk factors, feedback, and insights from similar locations.
- **Safety audits for equipment** to ensure the safety of machinery and training on safety measures for employees handling risky equipment.
- Conducting comprehensive **loss control visits** at various company facilities.

- Collaborating with our insurance carrier to conduct ongoing **workers' compensation claim reviews** to proactively address issues or trends.
- **Regular risk assessments** and safety inspections at VSE locations, including conducting property insurance surveys.



Safety in the Workplace

In 2024, VSE invested in and deployed an advanced Health, Environment, and Safety (HES) management software to further strengthen our commitment to continuous improvement. This integrated digital platform enhances incident reporting, simplifies root cause analysis, and automates corrective and preventive actions, helping reduce workplace injuries and ensuring full regulatory compliance. Additionally, the software offers tools for managing audits and inspections, enabling streamlined scheduling, execution, and tracking of compliance audits. Its user-friendly workflows and mobile accessibility enable our team to proactively manage safety risks, conduct digital inspections, and maintain real-time visibility into HES performance. By leveraging this technology, we aim to create a safer work environment, drive operational excellence, and achieve our sustainability objectives.



At VSE, we are committed to achieving zero work-related injuries and illnesses. Our HES program fosters a continuous flow of safety information between employees and managers across the organization, ensuring that safety metrics and practices drive a “safety first” culture in all our operations.

Employee safety training is provided through annual sessions on the LearnShare platform and site-specific instruction tailored to the unique risk factors, feedback, and lessons from similar locations.

Local incident data and leading indicators are leveraged to develop programs and safety action plans that address conditions and behaviors leading to at-risk situations. We consistently monitor key safety metrics, such as Recordable Incident Rate (RIR) and Days Away, Restricted or Transferred (DART), and use insights from our HES program to reinforce and encourage safe behaviors, continuously improving our safety outcomes.

Metric	2024	Industry Average
Recordable Incident Rate (RIR)		
Aviation	1.8	2.0
Wheeler	3.4	3.1
Days Away from Work (DART)		
Aviation	1.2	1.2
Wheeler	3.4	2.1
Experience Modification Rating	0.56	1.0

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VSE Governance

Our Approach

Strong corporate governance is a cornerstone of VSE’s operations. We understand that a well-defined and effective governance framework is crucial not only for the success of our business but also for safeguarding the interests of our shareholders, employees, customers, suppliers, and other stakeholders. By adhering to comprehensive policies, procedures, codes of conduct, and compliance training, we maintain a robust governance structure that promotes transparency, accountability, and responsible decision-making throughout the organization.



VSE Governance

Board of Directors

VSE's Board of Directors plays a critical role in shaping the company's strategic direction, overseeing corporate sustainability initiatives, and managing key strategic, operational, and compliance risks. Focused on representing the interests of stakeholders, the Board takes an active role in ensuring the organization's financial success and long-term sustainable growth.

Our Board is composed of eight directors, with seven meeting the independence standards set by NASDAQ rules. In line with our ongoing Board refreshment process, three directors have joined VSE in the past four years, bringing fresh perspectives to our leadership.

The Nominating and Corporate Governance Committee is dedicated to maintaining a well-rounded and diverse Board. It carefully identifies and evaluates director nominees based on their background, skills, and experience, ensuring a composition that aligns with the company's needs and reflects the interests of our shareholders.



Corporate Governance

Best Practices

VSE maintains a variety of corporate governance best practices tailored to our business and industry. These best practices include:

- **Code of Business Conduct and Ethics**
- **Ethics hotline**
- **Enterprise risk management program**
- **Board oversight of ESG and Cybersecurity initiatives**
- **Disclosure committee for financial reporting**
- **Related party transaction policy**
- **Independent Board committees**
- **Executive sessions of independent directors**
- **Annual stockholder approval of executive compensation**
- **Independent compensation consultant**
- **Annual self-evaluation by Board and Committees**
- **Stock Ownership Guidelines for directors and officers**

Risk Management

The VSE Board is responsible for overseeing risk management plans, policies, and practices, ensuring accountability at all levels of the organization. Each Board committee provides oversight of risks specific to its function, as defined in its charter. To proactively manage business and operational risks, we have implemented an enterprise risk management framework that enables continuous monitoring and assessment. This framework is a critical component of our broader risk mitigation strategy. Additionally, our Audit Committee plays a key role in reviewing and supervising the enterprise risk management process, further strengthening our commitment to comprehensive risk oversight.

Stakeholder Engagement

Our Commitment

VSE is committed to transparent and effective communication with all our stakeholders, including shareholders, employees, customers, and suppliers. We engage with our stakeholders through a variety of channels, ensuring that information is shared openly and efficiently across all levels of the organization:

Shareholders

- Annual shareholder meeting
- Quarterly earnings calls
- Analyst events
- Investor meetings
- Industry conferences
- Non-deal roadshows
- Site visits
- Independent Board

Employees

- Quarterly Net Promoter Score (NPS) and feedback surveys
- Town halls
- Quarterly inclusion & diversity round tables
- Employee Resource Groups (ERGs)
- Skip-level meetings
- Feedback sessions
- Performance appraisals
- Online portal and anonymous feedback submittal
- Optional and required training
- Newsletters

Customers

- Performance reviews
- Product line management
- Trade shows
- Relationship management and contract negotiations
- Site visits
- Feedback surveys
- Speaking engagements at industry events

Suppliers

- Supplier development program
- Performance reviews
- Trade shows
- Procurement process
- Site visits and internal training

Ethics & Compliance

Our Policies

Code of Business Conduct and Ethics

The purpose of VSE's Code of Business Conduct and Ethics is to promote compliance and ethical behavior. The Code reinforces our expectation that employees and suppliers conduct business ethically and in adherence to all applicable rules and regulations.

Conflicts of Interest and Global Anti-Corruption Policy

VSE expects all employees to act with integrity. We diligently implement measures to prevent conflicts of interest or any circumstances that give the appearance of conflicts of interest. In accordance with our Global Anti-Corruption Policy, we remain committed to maintaining the highest

standards of ethical and legal business conduct. This policy serves as a foundation for our efforts to prevent bribery and corruption by setting clear expectations for the prevention, detection, and reporting of bribery and other forms of corruption.

To ensure compliance with applicable anti-corruption laws, we conduct regular training and internal compliance audits. Additionally, our Third-Party Anti-Corruption Due Diligence Procedures help ensure that VSE engages only with reputable and qualified third parties who share our commitment to the highest ethical practices.

Ethics Hotline

VSE provides a 24/7 ethics hotline, operated by an independent third party, allowing employees to anonymously report ethical, financial, or other concerns. Reports submitted through the hotline are reviewed by the Chief Legal Officer and Internal Audit for investigation and are also communicated to the Chair of the Audit Committee or the Compensation and Human Resources Committee, as appropriate.

Supplier Code of Conduct

We expect our suppliers to adhere to the principles outlined in our Supplier Code of Conduct ensuring that our business partners operate ethically and responsibly. Suppliers must refrain from using forced labor or child labor, comply with all applicable wage and hour laws, uphold non-discriminatory practices, maintain effective health and safety programs, and comply with all applicable anti-bribery and anti-corruption laws.





Anti-Discrimination and Anti-Harassment

At VSE, fairness and equity are central to all employment-related decisions. We do not base employment decisions on legally protected personal characteristics, including race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, marital status, pregnancy, political affiliation, or disability. Additionally, we are committed to maintaining a professional and respectful workplace, strictly prohibiting behavior that creates a hostile, intimidating, or offensive work environment.

Political Contributions and Lobbying

VSE does not contribute corporate funds to federal candidates, national political party committees, other federal political committees or to any foreign candidate, political party, or political committee. VSE does not currently engage in any political contribution efforts.



Cybersecurity

Our Protocols

Enhanced IT Infrastructure

In 2024, we successfully completed a multi-year IT modernization project, marking a pivotal milestone in our company’s growth and innovation journey. This initiative not only strengthened our technological foundation but also enhanced internal processes by introducing new security services. These improvements streamlined IT operations, boosting efficiency, reducing friction, and elevating customer support. As we continue to prioritize risk reduction and data protection, VSE is actively exploring new services to drive company growth. In 2025, we are focusing on advancing our capabilities in cloud services, cyber risk detection, and forging strong partnerships to build on this solid foundation.

Cybersecurity

At VSE, cybersecurity is a top priority. We are committed to safeguarding the confidentiality, integrity, and availability of all information assets, aligning with the NIST Cybersecurity Framework and Zero Trust principles to ensure compliance with regulatory, operational, and contractual requirements.

In 2024, we made significant strides in strengthening our cybersecurity program. By expanding our security operations and forging new partnerships while reinforcing existing ones, we enhanced our ability to detect and respond to threats, increased our capacity, and positioned ourselves to better support business growth.



Employee Cybersecurity Awareness

We significantly enhanced our Cybersecurity Awareness program in 2024. This included rolling out dynamic, skills-based training for all employees, enhancing cybersecurity awareness training for new hires, and continuing our engaging annual Cybersecurity Awareness Contest. Additionally, we strengthened our data privacy practices by advancing the maturity of our data privacy policies and procedures. These initiatives are designed to support our ongoing global growth while ensuring the responsible management of sensitive data and compliance with international privacy laws. By increasing awareness of cyber threats and promoting best practices in data privacy, we help safeguard the sensitive information of our customers, partners, and employees from phishing scams, malware, and other cyberattacks that could jeopardize data security.

Information Technology Collaboration

The VSE Chief Information Security Officer partners with business stakeholders to manage cyber risks within the business. This collaborative effort extends to partnerships with the legal, human resources and business teams to collectively address risks such as third-party risk and insider threats.

Active participation in our partners' customer advisory boards is a testament to our commitment to continuous improvement and networking within the cybersecurity community across various industries.

Manufacturing Program Security Initiatives

In 2024, VSE began expanding its manufacturing capabilities with the acquisition of a fuel control program. Acknowledging the vital importance of security in our manufacturing operations, we made it a priority to integrate robust security measures into all systems and services supporting this program from the outset. This proactive approach includes implementing strong controls to protect sensitive data and processes, thereby minimizing risk and ensuring the long-term security and integrity of our manufacturing operations. We remain committed to prioritizing security as a fundamental design principle throughout the continued development of this program.

Audits and External Testing

VSE conducts ongoing testing and audits throughout the year, carried out by both our Internal Audit team and independent external auditors. To proactively identify and mitigate potential threats, we collaborate with our partners to perform threat hunting and internal and external penetration testing.

The VSE Board actively oversees the company's cybersecurity program, receiving regular briefings from the Chief Information Security Officer. These briefings cover key cybersecurity metrics, maturity, compliance efforts, and emerging regulations. This proactive engagement ensures the Board is well-informed and aligned with our cybersecurity strategy, supporting our commitment to safeguarding the company's digital assets.



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