



2025 ESG Report

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# Introduction

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# A Message from Our President & CEO

At VSE Corporation, our mission – to deliver trusted solutions that inspire the performance of tomorrow – is at the core of everything we do. As we navigate a complex global landscape, we remain committed to a strategy that creates shared value for our customers, industry partners, employees, and the communities where we live and work. Our shared value starts with providing high-quality aftermarket repair and part distribution solutions that enhance the productivity and longevity of our customers’ high-value, business-critical assets. It also means **building a better future for our people, driving environmental sustainability, supporting our communities, and prioritizing ethics and compliance.**

## Important Ways we Advanced our ESG Agenda in 2025

- **Building a Better Future for our People:** At VSE, we believe when our people thrive, our business follows. That is why we are deeply committed to creating an environment that drives innovation, strengthens



collaboration and builds high-performing teams. Our commitment begins at the first point of contact – recruitment – and extends to the highest levels of leadership. We know that our people are our greatest competitive advantage, and we are dedicated to investing in their growth, fostering their talents and giving them the opportunity to shape the future of our company.

- **Driving Environmental Sustainability:** We are committed to long-term environmental stewardship by optimizing resource management and implementing targeted operational improvements across our facilities. Our strategy focuses on proactive facility upgrades and the implementation of sustainable workplace practices to reduce our environmental impact. To ensure the effectiveness of these initiatives, the company has established measurements of environmental performance metrics that will serve as the primary tool for setting objectives and future targets, identifying high-impact areas, and measuring progress.
- **Supporting Our Communities:** Beyond our core business of providing mission-critical solutions, we are committed to supporting our local communities through dedicated community engagement and philanthropy. Through our **VSE Cares** initiative, our team members dedicate hundreds of volunteer hours to local causes, bringing the same passion to their communities that they bring to our MRO facilities, distribution centers of excellence, and administrative offices.
- **Prioritizing Ethics and Integrity:** We are committed to upholding the highest standards of ethical conduct and maintaining a robust governance framework that ensures every level of our organization is aligned with



our values and compliant with the evolving regulatory landscape. To ensure the long-term health of our business, we continuously evaluate our governance programs to address emerging risks and integrate industry-leading best practices. This proactive approach includes the ongoing refinement of internal processes, the implementation of advanced data security protocols, and the deployment of specialized skills-based training for our entire workforce. We remain committed to strong corporate governance as it is essential to our operational success and the preservation of stakeholder trust.

As we look ahead, the progress we have made in 2025 serves as the foundation for our sustainability efforts. While our industry continues to evolve, our commitment to operational excellence and corporate responsibility remains constant. We are proud of the business we have built and the milestones we have achieved to date, yet we recognize that our journey toward a more sustainable future is ongoing. Thank you for your continued trust and partnership as we work together to inspire the performance of tomorrow and create lasting, positive impact for all our stakeholders.



**John A. Cuomo**

President & CEO | VSE Corporation

# About VSE Corporation

VSE is a leading provider of aviation aftermarket distribution and repair services for commercial and business and general aviation (B&GA) aftermarkets. VSE is focused on significantly enhancing the productivity and longevity of its customers' high-value, business-critical assets. VSE's aftermarket parts distribution and maintenance, repair, and overhaul (MRO) services support engine component and engine and airframe accessory part distribution and repair services for commercial and B&GA operators.



**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



# Our Capabilities

## Aftermarket Distribution, MRO Services & OEM Licensed Manufacturing

Our Distribution sales channel is dedicated to 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 concentrates on OEM authorized component and accessory repairs around the engine and airframe. With capabilities spanning hundreds of engine platforms and airframes, we support customers across both commercial aviation and B&GA markets.

OEM Licensed Manufacturing, our newest capability, enables VSE to exclusively manufacture and supports certain fuel controls, fuel pump systems and related subcomponents for over 25,000 in-service aircraft. This capability broadens our service offering and allows us to deliver end-to-end solutions from manufacturing to distribution to repair for these high-value product lines.

### Distribution

- Proprietary OEM products represent 80%+ of the portfolio
- Dedicated technical product line management team supporting exclusive supplier relationships

### MRO Services

- OEM authorized component and accessory repair work supporting the engine, airframe, and wheel and brake
- Value added services
- Rotable exchange offerings
- Used Serviceable Material (USM) sales

## VSE Culture: Our Core Values

At VSE Corporation, our core values serve as the cornerstone of our business and employee culture. Rooted in open dialogue, teamwork, accountability, and achievement, they guide how we work together, engage with stakeholders, and create a positive culture that supports sustainable business success.



### Better Together

We collaborate to win



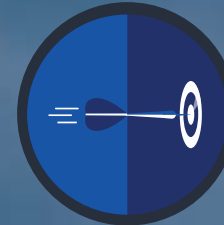
### Speak Up

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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INSPIRING THE PERFORMANCE OF **TOMORROW**<sup>1</sup>

# Environmental Sustainability

## Our Approach

VSE is dedicated to advancing environmental responsibility and continually assesses and manages its impact across every area of the business. Through strategic industry partnerships and ongoing operational enhancements, we work to lower our environmental footprint while supporting broader progress in sustainable practices throughout the aviation aftermarket.

Sustainability is integrated into our Maintenance, Repair, and Overhaul services for components and engine accessories supporting commercial, 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 which reduces material waste and conserves valuable resources.

Our distribution operations further strengthen this approach by integrating serviceable components sourced from teardowns and other supply channels. Keeping these assets in circulation promotes a more resource efficient aftermarket and reduces unnecessary disposal.

Across our facilities, we advance environmental stewardship through waste reduction initiatives, expanded material reuse, and energy efficient operating practices. Over the past year, we strengthened internal accountability by appointing a dedicated sustainability leader to drive coordination and visibility across the organization. We have also begun tracking key environmental metrics to better evaluate performance and guide continuous improvement. Together, these actions reinforce our commitment to embedding sustainability into daily decision making and operational execution.

At VSE, sustainability is more than a commitment, it's a responsibility. We remain focused on delivering meaningful environmental progress and supporting a more sustainable future for the aviation industry.



In 2025, approximately **37% of VSE Aviation's revenue** is generated from the **repair and restoration** of aircraft components, **returning serviceable parts to the market** and extending their operational life.

# Environmental Baseline Metrics

## 2025

In 2025, we began formalizing our environmental data collection and reporting processes across U.S. and international operations. This year marks the establishment of our initial greenhouse gas (GHG) inventory, which will serve as our baseline for measuring performance and informing future environmental initiatives. These foundational metrics enhance our visibility into energy use and direct emissions and provide a structured starting point for tracking progress over time.

The data below reflects our current portfolio coverage based on available utility billing data. While not all facilities and emission sources are fully captured at this point, data collection is ongoing and will continue to expand in future reporting cycles.

Scope 2 emissions from purchased electricity have been calculated for 18 of 22 sites, representing approximately 81% of total operational square footage, using EPA eGRID 2023 location-based emission factors for US sites, while international locations utilize country-specific grid emission factors. Electricity consumption is tracked across all facilities, and ongoing data validation efforts are underway to achieve full portfolio coverage. The remaining sites are not yet included due to data access limitations, including instances where utility data is maintained by third parties or government entities and is not directly accessible, or where invoices received do not include sufficient usage detail. We are actively working with utility providers and local contacts to obtain complete consumption data.

Scope 1 emissions from natural gas combustion have been quantified where utility data is available, with complete consumption data compiled for 6 of 11 sites with onsite gas service. For the remaining sites, utility invoices currently provide cost data but do not consistently include usage metrics required for emissions calculations. In these cases, we are engaging directly with utility providers to obtain detailed consumption records.

2025 Scope 2 and Scope 1 Greenhouse Gas Emissions		
Emissions Category	Coverage	Emissions (MT CO <sub>2</sub> e)
Scope 2 - Purchased Electricity (Location-Based)	81% of operational square footage	3,441
Scope 1 - Natural Gas	6 of 11 gas sites	1502.8

**NOTES:**

1. Scope 2 emissions for U.S. sites are calculated using EPA eGRID 2023 location-based emission factors.
2. Scope 2 emissions for international sites are calculated using country-specific grid emissions factors.
3. Scope 2 coverage reflects 18 of 22 sites (81% of operational square footage), with only certain international locations excluded.
4. Scope 1 natural gas emissions reflect available utility data for 5 of 11 sites with onsite gas service.
5. Additional Scope 1 sources are in progress and will be incorporated as data completeness improves.
6. Emissions are reported in metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e).

# Environmental Initiatives

## Operational Sustainability

- Hired a Sustainability and Facilities Specialist and launched an energy management and sustainability roadmap, leading company-wide reporting and education, managing building energy audits, and overseeing sustainability vendors.
- Began integrating climate-related financial risks into internal planning, including physical and transition risks such as energy cost volatility, regulatory changes, and facility exposures.
- Began tracking facility energy use in ENERGY STAR® Portfolio Manager to set a baseline, monitor consumption trends, and support future energy management.
- Increased biodegradable materials to about 90% of boxes and shipping packaging at VSE Aviation's Kansas facility, partly by eliminating foam packing.
- Harvested, repurposed, recycled, and sold over 65,000 aircraft parts from 46 disassembled aircrafts.
- Expanded recycling efforts for metal scrap, internal packing materials, cardboard boxes, computers, printers, batteries, cans, and plastics.
- Continued supporting aircraft engine on-wing maintenance by distributing line-replaceable units under an agreement with Pratt and Whitney Canada, extending engine and accessory lifespan while reducing waste.
- Continued our joint initiative with Conidia Bioscience to distribute fuel testing kits and expanded distribution of the and LuminUltra BugCount fuel testing kits in North America and Europe to enable proactive contamination detection and reduce unnecessary fuel disposal.



VSE serves as Southwest Airlines' exclusive end of life asset management partner, supporting the retirement of its Boeing 737NG fleet and related surplus material. In collaboration with AFRA accredited and FAA approved suppliers, we carefully disassemble each aircraft and its components, restore eligible parts to serviceable condition, and return them to the market for continued use.

On average, approximately **39,000 pounds of metal per aircraft are recycled**, and **nearly 90% of each aircraft is repurposed** through the disassembly and resale process. This approach advances a more circular and sustainable lifecycle for aviation assets.

# Sustainability Highlights

## Our Facilities

We continue to strengthen our commitment to environmental sustainability by advancing energy and water efficiency and addressing key climate related impacts across our operations. These efforts include closer management of facility level resource consumption, identification of energy optimization opportunities, and the integration of sustainability considerations into operational decision making.

Our focus on maintaining a cleaner, safer workplace is reflected in the sustainable practices and facility enhancements implemented to drive measurable, long term environmental performance improvements.

Recent initiatives and upgrades include:

### Miramar, FL (Global Headquarters)

- Upgraded five rooftop HVAC units, increasing efficiency by 35% per unit.
- Continued implementing an energy-efficient LED re-lamping strategy into our production areas, transitioning 78 lighting fixtures, saving about 30,000 kWh per year.
- Transitioned from single-use paper cups to providing reusable drinkware in breakrooms and installing dishwashers, diverting an average of 1,650 pounds of paper waste per year.
- Installed window film on our west facing windows, estimated to save approximately 127,748 kWh annually based on a 30% utilization factor, reducing cooling energy demand and improving overall building efficiency.

### Independence, KS

- Continued reducing paper consumption by enhancing digital record-keeping.
- Promoted 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.
- Continued utilizing energy-efficient HVAC systems to optimize energy consumption.



**Miami, FL**

- Transitioned from single use plastics and disposable cafe utensils to reusable alternatives including mugs and plates, diverting an estimated 480 pounds of paper waste per year.
- Initiated the process of evaluating the facility for potential green building certifications to identify opportunities for energy efficiency and sustainable practices.
- Sustained the use of an electric forklift opposed to a gas-power model to lower emissions and reduce noise pollution.
- Maintained energy savings from the prior installation of six high-efficiency 12 SEER-rated HVAC units.



**Montebello, CA**

- Promoted the use of electric vehicle chargers, supporting sustainable commuting options for employees and visitors.
- Transitioned from single-use paper cups to providing reusable drinkware to associates on site.
- Continued supporting enhanced energy efficiency through LED lighting.

**Cincinnati, OH**

- Completed a full HVAC replacement to higher efficiency units (14.5 IEER vs 8 IEER), reducing energy use by an estimated 45% per year.
- Replaced 350 fluorescent light bulbs to LED light bulbs to save an estimated 21,420 kWh in lighting energy per year.

**Bloomfield, CT**

- Continued supporting enhanced energy efficiency through LED lighting.
- Preserved online access to manuals and technical data to minimize paper usage.

**Augusta, KS**

- Continued supporting enhanced energy efficiency through LED lighting.

**Fort Lauderdale, FL & Chicago, IL**

- Transitioned from single-use paper cups to providing reusable drinkware to associates on site.

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# Social Responsibility

## Our People & Culture

At VSE, our people are central to everything we do. Their commitment to supporting our customers and suppliers drives our performance and long-term success. We are dedicated to fostering a workplace that values inclusion and belonging, supported by thoughtful policies and practices across recruitment and hiring, learning and development, employee engagement, and day-to-day workplace culture. To attract, develop, and retain top talent, we provide competitive, industry-leading benefits and actively recognize the contributions our employees make, both within the organization and in the communities where we live and work.

Creating an inclusive culture grounded in respect and open dialogue is a defining element of VSE's identity. We encourage employees to SPEAK UP, reinforcing our belief that transparency and communication empower individuals and strengthen our organization. Employee Resource Groups (ERGs) play an important role in this effort, offering voluntary, employee-led spaces that are open to all and designed to foster connection, share perspectives, and advance our inclusion-focused initiatives. Through continued investment in our workforce and culture, we strive to ensure that VSE remains a workplace where everyone is supported, valued, and equipped to grow and succeed.



# Culture of Inclusion

## Our Approach

VSE is committed to fostering an inclusive workforce that values diverse backgrounds, experiences, and perspectives. We believe diversity and inclusion are essential to promoting innovation, strengthening collaboration, and building high performing teams that reflect the communities we serve. Our talent acquisition and people practices are intentionally designed to attract, develop, and retain employees from a broad range of backgrounds, ensuring that our workforce benefits from varied viewpoints and lived experiences.

We strive to create an environment where all employees feel respected, valued, and included, and where every individual has the opportunity to contribute meaningfully to business success.

### Employee Engagement and “Speak Up” Culture

Open and respectful dialogue is a core component of VSE’s culture. Our “Speak Up: Let Your Voice Be Heard” value reinforces our commitment to transparency, inclusion, and ethical behavior by encouraging employees at all levels of the organization to share ideas, provide feedback, and raise concerns without fear of retaliation.

To support this commitment, VSE maintains multiple formal communication channels, including employee roundtables, town hall meetings, “stay” interviews, and an ethics hotline. These mechanisms provide safe and accessible avenues for employees to engage in meaningful dialogue, ask questions, and report concerns.



Employee engagement is monitored through a quarterly Employee Net Promoter Score (NPS) survey administered across the business. Survey results are reviewed by leadership teams and used to inform action plans aimed at improving employee experience, strengthening engagement, and enhancing workplace culture.

### Human Rights and Ethical Business Practices

Respect for human dignity is fundamental to how VSE conducts business. We are committed to treating all individuals, employees, contractors, and third-party partners with fairness, respect, and dignity. Our Human Rights Policy and Code of Business Conduct and Ethics outline the principles that govern our approach to ethical conduct and responsible operations.

VSE upholds a strict zero tolerance policy for forced labor, child labor, and human trafficking. We recognize our responsibility to ensure that our operations, as well as our supply chain relationships, do not directly or indirectly infringe upon internationally recognized human rights

We expect all stakeholders, including employees, customers, suppliers, and business partners, to adhere to the standards set forth in our Human Rights Policy. Through these expectations, we seek to promote ethical behavior, accountability, and respect for human rights throughout our value chain.

**Inclusive Leadership and Support**

Fostering an inclusive and equitable workplace is a core component of our social responsibility and long-term business resilience. Our Inclusion & Diversity Advisory Council (I&D Council) provides strategic oversight and leadership in advancing our organizational inclusion priorities.

Established in February 2021, the I&D Council guides the development of enterprise-wide initiatives and facilitates ongoing dialogue to strengthen awareness, understanding, and belonging across the organization. Since its inception, the I&D Council has engaged hundreds of VSE employees through structured round table discussions addressing cultural diversity, generational perspectives, and the multidimensional nature of inclusion. These forums promote cross collaboration, encourage knowledge sharing, and reinforce a culture of respect and connection.

In May 2025, we convened our annual I&D Leadership Summit, bringing together members of the I&D Council and leaders from our Employee Resource Groups (ERGs). The summit included interactive workshops focused on inclusive leadership, trust-based team building, strength-based leadership, and the creation of psychologically safe and courageous spaces.

The event also facilitated open leadership dialogue, supporting transparency, continuous learning, and alignment in advancing our inclusion and diversity objectives.



# Employee Resource Groups

Guided by our commitment to inclusion and diversity, VSE advances these priorities through Employee Resource Groups (ERGs), which play a key role in strengthening workplace inclusion and building meaningful connections across our workforce. These groups help cultivate a sense of belonging while supporting dialogue, collaboration, and shared understanding among employees.

ERGs are voluntary, employee-led groups designed to support both personal and professional growth while elevating a wide range of perspectives and experiences. Each ERG is backed by an executive sponsor and a representative from the I&D Council, ensuring alignment with organizational priorities and reinforcing VSE's broader inclusion and diversity strategy.



## Mental Health & Mindfulness

In 2025, the Mental Health & Mindfulness (MHM) ERG focused on building awareness, education, and connection around mental well-being through intentional programming and collaboration. The group hosted guest speakers and facilitated discussions on workplace burnout, sustainable work practices, productivity and mental energy management, and domestic violence awareness. MHM also partnered with the VSE Veterans ERG to explore mental health through the experiences of military members, helping increase understanding of unique challenges and reinforcing available avenues of support.

Alongside its educational efforts, MHM continued to grow a supportive and engaged employee community through its Teams group, fostering open communication around life events, challenges, and overall well-being. Members actively supported one another in a respectful and inclusive environment, reinforcing the group's core message that employees are not alone and that resources and support are accessible. Building on this momentum, MHM remains committed to collaborating with other ERGs to help create a workplace where all employees feel welcomed, supported, and heard.

## VSE VETERANS VSE Veterans

The Veterans ERG is a community that unites military veterans and allies across VSE, grounded in the shared values of service, teamwork, and leadership. The group is committed to fostering connection and belonging, supporting successful post-military transitions, and strengthening the organization through mentorship, professional growth, and open dialogue.

Throughout 2025, the Veterans ERG engaged members across multiple locations, shared valuable resources, and facilitated meaningful conversations focused on navigating post-military life while honoring the experiences and contributions of veterans within the workplace. As part of these efforts, the Veterans ERG hosted guest speaker sessions

featuring General Eberhart, Chair of VSE’s Board of Directors, and Stephanie Cootsona, Managing Director of Supply Chain for Alaska Airlines, who shared insights on military-to-civilian career transitions and the transferable skills veterans bring to the workforce, including leadership, discipline, adaptability, and teamwork.

In recognition of Mental Health Awareness Month, the Veterans ERG partnered with the MHM ERG for a collaborative session focused on important topics such as PTSD, suicide prevention, depression, and substance use. The discussion emphasized practical ways to support mental well-being, how to recognize and assist colleagues who may be struggling, and the importance of leveraging available resources such as the VSE Employee Assistance Program. This collaboration reinforced VSE’s commitment to employee well-being and highlighted the power of ERG partnerships in creating a supportive, informed, and inclusive workplace culture..

**PRIDE GROUP** **PRIDE Group**

The PRIDE Group supports LGBTQ+ employees and allies across VSE by promoting awareness, inclusion, and respect within the workplace. The group is guided by four focus areas: Community, Awareness & Education, Leadership Communications, and Celebration. As with all ERGs, PRIDE is open to all employees, and encourages understanding and allyship throughout the organization.


In recognition of Pride Month, PRIDE led a variety of engagement efforts aimed at fostering a welcoming and supportive environment. Pride-themed items, providing food at selected on-site locations, and highlighting the contributions and stories of individuals who have played a significant role in LGBTQ+ history.

 **LATINOS UNIDOS** **Latinos Unidos**

Latinos Unidos is a vibrant community dedicated to uplifting, connecting, and empowering Latinos and their allies. Through personal and professional development, the Latinos Unidos ERG strives to create opportunities that celebrate identity, foster inclusion, and build bridges across cultures. Latinos Unidos offers a welcoming space to engage in meaningful conversations on topics like ethnicity, mental health, and career growth.

In 2025, Latinos Unidos continued to make an impact by enriching VSE’s corporate culture with dynamic initiatives. From honoring tradition during Hispanic Heritage Month to strengthening relationships at an end-of-year networking potluck, every event reflected the group’s commitment to unity and growth. Additionally, the “Cafecito” sessions with executive leaders provided employees with invaluable insights and mentorship, and the professional development workshop encouraged authenticity, open dialogue, and deeper connections among members.

Together, Latinos Unidos strives to shape a workplace where diversity thrives, voices are heard, and every individual feels empowered to bring their whole self to work.

 **Women in the Workforce**

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

The 2025 fiscal year was defined by the theme “Thriving in the Workplace,” a strategic initiative designed to equip WITW members with the professional tools and resources necessary to excel in a changing corporate landscape. This vision translated into exceptional growth, as WITW achieved a 35% increase in total membership. WITW’s high-impact programming resulted in 10 development sessions with an average of 59 attendees per event, representing a 20% year-over-year increase in engagement.

WITW leveraged high-impact guest speakers and VSE leaders to drive cultural and operational excellence. A centerpiece of the year was a landmark leadership panel featuring Pedro Gonzalez (VP & GM, VSE Aviation), Sheyla Lemoine (VP, Quality), and Rob Torres (Senior Director, Human Resources), who championed a “progress-over-perfection” mindset by reframing failure as a catalyst for growth. This momentum carried into a wellness series with EAP Aetna Consultant Pamela Kerouack, whose session on mindfulness and nutrition directly linked employee well-being to sustained productivity. WITW concluded the series with our “Thriving Through Change” curriculum, equipping the workforce with the adaptive coping mechanisms and mindset-shifting techniques necessary to navigate organizational transitions with resilience and grace.

Looking ahead to the future, we facilitated a seamless leadership transition in Q3. This strategic evolution of our leadership team ensures that the energy and insights gained this year remain a permanent driver of growth and member value for years to come.



# Employee Benefits

## Total Rewards Strategy

Our people are at the core of our long-term success. We focus on attracting, developing, and retaining talented individuals by offering compensation and benefits that are competitive, equitable, and designed to support the diverse needs of our workforce.

Our Total Rewards approach is guided by four core pillars: compensation and benefits, employee wellness, recognition, and learning and development. Together, these pillars create a comprehensive framework designed to support employee engagement, well-being, and growth.

### Compensation and Benefits

We're proud to offer competitive, market-informed compensation and benefits designed with employee well-being in mind. Our pay philosophy emphasizes fairness, equity, and rewarding performance. In 2025, we further strengthened our benefits by adding an extra week of Bonding Leave for both mothers and fathers, increasing Compassion Care Leave to a week, expanding Bereavement Leave in certain circumstances, and broadening the Wellness Program to include fitness class credits that extend to a friend.

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 and Accidental Death and Dismemberment 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 believe that supporting employee well-being is a core part of our social impact and our responsibility as an employer. Through a comprehensive set of benefits, we invest in the mental, physical, and financial health of our employees, recognizing that individual well-being contributes to stronger families, communities, and long-term organizational resilience. Our Employee Assistance Program provides 24/7 access to mental health support, helping ensure employees and their families can receive care when they need it.

We promote healthy, active lifestyles by offering complimentary fitness studio and gym classes that support physical health and stress reduction. To advance financial security and economic inclusion, we provide access to

financial education seminars and personalized one-on-one counseling. Together, these initiatives reflect our commitment to creating a supportive and inclusive workplace where employees are empowered to thrive both at work and beyond.

**Employee Recognition**

Employee recognition is a core component of VSE’s workplace culture and a key driver of employee engagement, performance, and retention. By formally recognizing the contributions and dedication of our workforce, we reinforce behaviors aligned with our core values, promote job satisfaction, and support a highly engaged and productive organization.

At VSE, recognition is embedded into our operating model through programs designed to acknowledge employees who demonstrate excellence and exemplify our values. While each business unit, site, and team tailors its recognition initiatives to reflect the nature of its workforce and operations, all programs are designed to ensure consistency, transparency, and meaningful impact across the organization.

A few examples of these include:

- MATTER Platform
- Ireon Tech Award
- Above & Beyond Bonus Award
- HeRo Award

These peer-nominated awards recognize employees who consistently demonstrate VSE’s core values and deliver exceptional support to internal stakeholders. Award recipients receive a monetary bonus, formal recognition

in the VSE newsletter, and a commemorative certificate acknowledging their contributions.

Through these recognition programs, VSE fosters a culture of appreciation and accountability, supporting employee well-being while reinforcing behaviors that contribute to long-term organizational performance and sustainability.

**Employee Learning and Development**

VSE recognizes that its employees are a critical driver of long-term value creation. As part of our Social and Governance commitments, we invest in continuous learning, leadership development, and workforce capability to support employee engagement, operational excellence, and sustainable business performance. Our learning and development strategy is designed to attract, retain, and develop talent while ensuring alignment with organizational values, ethical standards, and leadership expectations.

*Learning and Leadership Development*

VSE provides a broad range of training and development opportunities to enhance employee skills, knowledge, and career progression. Central to this effort is our Leadership Essentials program, a 14-week foundational



development course for people leaders. The program focuses on key leadership competencies, including accountability, communication, team management, motivation, delivering results, and customer service. This structured training supports leadership consistency and strengthens our management pipeline across the business.

To support skill development at all career stages, VSE offers internships, apprenticeships, on the job training, and defined career development pathways, providing hands on learning opportunities and supporting internal mobility. Our quarterly Food for Thought leadership forums further promote knowledge sharing and collaboration by bringing leaders together to discuss best practices, emerging challenges, and organizational priorities.

*Mentorship and Leadership Pipeline*

VSE supports leadership development through established initiatives such as the Formal Mentoring Program and the Future Leaders Program.

The Formal Mentoring Program pairs experienced leaders with employees seeking structured guidance and professional development. The program promotes knowledge transfer, skill development, and career progression, contributing to leadership readiness and organizational continuity.

The Future Leaders Program focuses on identifying and developing high potential employees by assessing leadership behaviors and individual effectiveness. Participants are aligned with VSE’s values, operating principles, and leadership expectations, strengthening succession planning and supporting long term leadership sustainability.

*Onboarding, Ethics, and Risk Management*

Employee onboarding includes mandatory training on business conduct and ethics, workplace discrimination, harassment and violence prevention, cybersecurity awareness, and other compliance related topics. Integrating these requirements into the onboarding process reinforces VSE’s commitment to ethical behavior, risk management, and workplace safety while ensuring consistent understanding of company standards across the organization.

*Continuous Education and Career Progression*

VSE encourages lifelong learning through its Tuition Reimbursement Program, which has no lifetime maximum and enables employees to pursue higher education, professional certifications, and job-related credentials. This investment supports employee retention, workforce capability, and adaptability in a changing business environment.

In addition, VSE conducts annual Talent Succession Assessments in conjunction with performance reviews. These assessments provide structured feedback, individualized development plans, and targeted coaching, supporting internal talent mobility, leadership continuity, and long-term business resilience.

Through these integrated human capital initiatives, VSE advances its ESG objectives by strengthening workforce capability, promoting ethical leadership, and supporting sustainable organizational growth.



# Community Events

## Charitable Activities

In 2025, employees throughout the organization engaged in numerous charitable initiatives and community outreach programs. Their involvement reflects our commitment to giving back and making a meaningful difference. Below are key highlights from this year's activities:

### 2025 Susan G. Komen More than Pink Walk & Fundraiser

VSE proudly served as a supporting sponsor of the Susan G. Komen More Than Pink Walk in Miami/Ft. Lauderdale, successfully meeting its \$5,000 fundraising goal in support of the fight against breast cancer. VSE employees, along with their family members and friends, participated in the event to help raise awareness and critical funds that support breast cancer research, patient care, and advocacy efforts. VSE was also honored by the Susan G. Komen organization in 2025 as a supporting sponsor and top participating company, recognizing the continued dedication and collective impact of our employees and communities.

### Back-to-School Supply Drive

VSE Cares partnered with several nonprofit organizations to host a Back-to-School Supply Drive. VSE employees donated essential school supplies to help ensure students in need have the tools required to succeed academically. Thanks to the generosity of our employees, more than 300 school supplies were collected to support low-income children and families throughout Miami-Dade and Broward Counties, helping students start the school year prepared and confident.

### Animal Shelter Donation Drive

Employees at VSE's Independence, Kansas site raised cash and collected essential supplies for local animal shelters. Donations included bags of cat and dog food, cleaning supplies, litter, toys, and treats. These contributions benefited A.W.O.L. and Coffeyville Friends of Animals, helping support the care and well-being of animals in the community.

### South Florida Blood Drive

In February 2025, South Florida VSE sites welcomed OneBlood's Big Red Bus for the annual VSE Cares Blood Drive. Employees participated in the drive to support local hospitals and patients in need, recognizing that a single blood donation can save up to three lives. The event highlighted the importance of community health and offered employees a meaningful opportunity to make a direct, life-saving impact while giving back to those in need.





# Health, Environment, and Safety

## Safety in the Workplace

The well-being of VSE's employees, partners, and stakeholders is central to how we operate. We are committed to cultivating a strong safety culture that prioritizes the health and safety of everyone connected to our organization. Through regular training, ongoing monitoring of safety performance, and proactive risk assessments, we work to maintain a safe and healthy work environment.

Designed to proactively address workplace hazards, VSE's Environmental, Health and Safety (EHS) program focuses on reducing risks and preventing injuries and illnesses. By providing employees with the necessary 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 EHS 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. In 2025, we conducted CPR and AED certification training for employees, strengthening on-site emergency response capabilities and supporting a safer workplace environment.
- **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.
- In-house management of **ANSI Class B first-aid cabinets** to ensure 100% compliance, standardizing essential emergency supplies while reducing reliance on external vendors.
- **Expanded on-site emergency preparation** at the Augusta facility through the installation of two additional storm shelters, increasing total shelter capacity from five to seven units, each capable of accommodating up to 20 occupants, enhancing employee safety during severe weather events.
- 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.

During 2025, we maintained our focus at VSE on creating a safe and healthy workplace, with the goal of eliminating work-related injuries and illnesses. Our EHS program supports continuous communication between employees and leadership across the organization, using safety data and shared best practices to promote a "safety first" culture company wide. Safety training is provided to employees annually through Learnshare sessions that are complemented by site-specific training tailored to local risk factors, employee input and insights from similar operations.

Local incident data and leading safety indicators continue to inform the development of targeted programs and corrective action plans aimed at reducing conditions and behaviors that contribute to at-risk situations. Key safety performance metrics including, Total Recordable Incident Rate (TRIR), Lost Time Rate (LTR), and Days Away, Restricted, or Transferred (DART) are routinely monitored across the organization. Insights gained through our EHS program are used to reinforce safe behaviors, support proactive risk mitigation, and drive continuous improvement in overall safety performance.

In 2025, VSE expanded its safety performance metric reporting to allow facility-level visibility. This approach allows for more precise identification of trends, localized risk factors, and opportunities for targeted improvement, while maintaining transparency and accountability across all operations. By presenting safety performance at the facility level, leadership and site teams are better equipped to benchmark performance, share best practices, and implement data-driven improvements tailored to specific operational environments.

As provided in the table below, approximately 57% of sites improved or maintained their TRIR, LTR, and DART performance in 2025 compared to 2024, reflecting overall stable safety performance across the organization despite some transitional challenges. VSE’s 2025 Experience Modification Rating was 0.60, well below the industry average of 1.00, reflecting the company’s continued strong safety performance.

Site	TRIR		LTR		DART	
	2025	2024	2025	2024	2025	2024
Bloomfield, CT	0.8	N/A	0.8	N/A	0.8	N/A
Chicago, IL	0	N/A	0	N/A	0	N/A
Cincinnati, OH	0	0	0	0	0	0
Everett, WA	0	0	0	0	0	0
Fort Lauderdale, FL	1.6	N/A	0	N/A	0	N/A
Independence, KS	0.5	2.4	0.5	0.6	0.5	1.2
Los Angeles, CA	3.8	3.3	3.8	1.7	3.8	3.3
Miami, FL	1.7	0	1.7	0	1.7	0
Miramar, FL	1.2	1.1	0	0.5	0	0.5
Miramar, FL (TCI)	0	N/A	0	N/A	0	N/A
Phoenix, AZ	0	0	0	0	0	0
San Bernardino, CA	11.1	0	0	0	11.1	0
Wichita, KS	7.1	3.9	1.0	2.6	3.6	2.6
<b>Total</b>	<b>1.7</b>	<b>1.8</b>	<b>0.5</b>	<b>0.8</b>	<b>0.9</b>	<b>1.2</b>

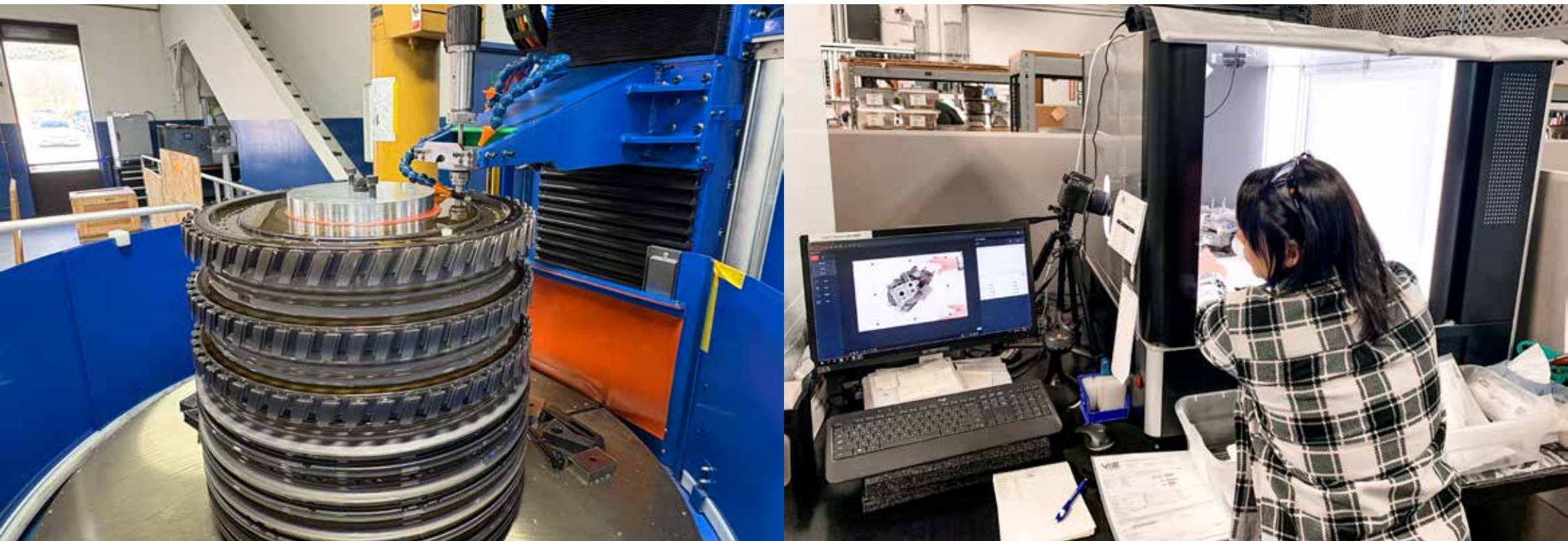
# Governance

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# VSE Governance

## Our Approach

A disciplined and transparent governance framework guides VSE's business practices and organizational oversight. We recognize that a clear and effective governance framework is essential to our long-term success and to protecting the interests of our shareholders, employees, customers, suppliers, and other stakeholders. Through comprehensive policies, procedures, codes of conduct, and ongoing compliance training, we uphold a governance structure that fosters transparency, accountability, and responsible decision-making across the organization.



# VSE Governance

## Board of Directors

VSE's Board of Directors provides oversight and guidance on the company's strategic direction, corporate sustainability priorities, and the management of key strategic, operational, and compliance risks. Acting in the best interests of the company and its stakeholders, the Board plays an active role in supporting VSE's financial performance and long-term, sustainable growth.

The Board has delegated oversight of ESG matters to the Nominating and Corporate Governance Committee. This Committee is responsible for overseeing VSE's ESG strategy, programs, risks, and related disclosures, and for supporting the Board in fulfilling its broader ESG oversight responsibilities. Through this structure, the Board ensures that ESG considerations are integrated into governance practices and strategic decision-making.

The Board is comprised of eight directors, seven of whom meet NASDAQ independence standards. As part of VSE's ongoing Board refreshment efforts, three directors have joined within the past five years, contributing diverse perspectives, expertise, and insights that strengthen Board effectiveness.

The Nominating and Corporate Governance Committee also plays a key role in maintaining a well-balanced and effective Board. The Committee identifies and evaluates director candidates based on skills, experience, independence, and background to ensure Board composition aligns with VSE's strategic priorities and reflects shareholder interests



# Corporate Governance

## Best Practices

VSE has implemented a set of corporate governance best practices. These practices support ethical conduct, effective risk oversight, Board independence, and transparency in executive compensation and financial reporting, and include:

### Ethics and Compliance



- Code of Business Conduct and Ethics
- Confidential ethics and compliance hotline
- Related-party transaction policy

### Risk Management and Oversight



- Enterprise risk management program
- Board oversight of ESG and cybersecurity initiatives

### Board Independence and Effectiveness



- Independent Board committees
- Executive sessions of independent directors
- Annual Board and committee self-evaluations
- Stock ownership guidelines for directors and officers

### Compensation and Financial Oversight



- Disclosure committee for financial reporting
- Annual stockholder approval of executive compensation
- Independent compensation consultant

## Risk Management

Oversight of risk management is a core responsibility of the VSE Board of Directors, with a focus on accountability across the organization. Board committees provide oversight of risks relevant to their respective responsibilities, as outlined in their charters. VSE maintains an enterprise risk management framework to support ongoing identification, assessment, and monitoring of business and operational risks. The Audit Committee plays a central role in overseeing the enterprise risk management process, including risks related to financial reporting, compliance, and cybersecurity, reinforcing the Board's commitment to comprehensive risk oversight.

# Stakeholder Engagement

## Our Commitment

Meaningful stakeholder engagement is central to VSE’s approach to responsible governance. We communicate openly with shareholders, employees, customers, and suppliers through multiple channels to foster transparency, trust, and informed decision-making:

### Shareholders

*Providing transparency, accountability and insight into company performance*

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

### Employees

*Fostering engagement, inclusion, development and two-way dialogue*

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

### Customers

*Building strong, collaborative relationships to understand customer needs, enhance performance and drive long-term value*

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

### Suppliers

*Promoting responsible sourcing and collaboration across our supply chain*

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

# Ethics & Compliance

## Our Policies

### Code of Business Conduct and Ethics

VSE's Code of Business Conduct and Ethics establishes clear expectations for ethical conduct, sound judgment, and compliance with applicable laws and regulations. Adopted by the Board of Directors, the Code guides directors, officers, employees, and those who work on the company's behalf, reinforcing accountability, integrity, and a culture of speaking up and seeking guidance when ethical questions arise. VSE also expects its suppliers and business partners to uphold these principles in all business interactions.

### Conflicts of Interest and Global Anti-Corruption Policy

VSE maintains a strong ethical framework designed to promote integrity, transparency, and responsible decision-making throughout the organization.



We maintain policies and controls designed to prevent actual or perceived conflicts of interest and to promote transparency and accountability across the organization. Through our Global Anti-Corruption Policy, we uphold a strong commitment to ethical and lawful business practices, establishing clear standards for the prevention, detection, and reporting of bribery and other forms of corruption.

To support compliance with applicable anti-corruption laws, VSE provides regular training and conducts internal compliance audits. Our Third-Party Anti-Corruption Due Diligence Procedures further reinforce these efforts by helping ensure we engage only with reputable business partners who share our commitment to responsible and ethical conduct.

### Ethics Hotline

To support a culture of transparency and accountability, VSE provides employees with access to an independent, third-party ethics hotline available 24 hours a day, 365 days a year. The hotline allows employees to anonymously report actual or suspected violations of the Code of Business Conduct and Ethics, including concerns related to ethics, fraud, accounting, internal controls, or other financial matters. All reports are promptly reviewed and investigated under established policies and procedures, with oversight by the Chief Legal Officer and Chief Human Resources & Administrative Officer. Matters and remediation activities are reported to the Audit Committee on a regular basis to ensure appropriate governance and accountability.

**Supplier Ethical and Legal Compliance**

We expect our suppliers, contractors, and business partners to conduct their operations ethically, responsibly, and in full compliance with applicable laws and regulations. Our expectations for supplier conduct are set forth in our Terms and Conditions of Purchase, which require compliance with all applicable international, federal, state, and local laws, including anti-bribery and anti-corruption laws such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act.

In addition, we expect suppliers to operate in a manner that supports responsible labor and workplace practices, including respect for human rights, compliance with applicable wage and hour laws, non-discriminatory employment practices, and the maintenance of safe and healthy working conditions.

**Anti-Discrimination and Anti-Harassment**

VSE is committed to fostering a workplace built on fairness, respect, and equal opportunity. Employment-related decisions are made without regard to legally protected characteristics, including race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, marital status, pregnancy, political affiliation, disability, or any other status protected by applicable law. We also prohibit harassment, bullying, or retaliation.

**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. Any proposed political contributions using company funds would be subject to strict legal compliance and appropriate executive and/or Board-level review. Directors, officers, and employees may make personal political contributions in their individual capacities but may not represent that such contributions are made on behalf of the Company.



# Cybersecurity

## Our Protocols

Cybersecurity and data protection are essential to maintaining trust and supporting the safety, reliability, and integrity of VSE's aviation aftermarket operations. Strong cybersecurity governance helps ensure that information, systems, and processes supporting aviation activities are managed responsibly as the business evolves.

### Cybersecurity and Employee Engagement

Cybersecurity and data privacy are foundational to maintaining the trust of our customers, partners, employees, and other stakeholders. As VSE continues its evolution as a pure-play aviation aftermarket company,

safeguarding information remains a core responsibility embedded across the organization.

We recognize that protecting information is a shared responsibility, reinforced through ongoing employee awareness initiatives, phishing simulations paired with remediation-focused training, annual Cybersecurity Awareness Month programming, and targeted education designed to promote secure day-to-day behaviors.

### Strengthening Data Security

VSE continued to strengthen its data security by working closely across the business to advance governance practices and implement additional controls supporting the protection of intellectual property, customer data, and sensitive operational information.

In 2025, these efforts included collaboration with manufacturing leadership, quality, compliance, and engineering teams to integrate cybersecurity and data protection considerations into new manufacturing systems supporting technical data and processes. This work also included establishing data sensitivity and handling practices to support responsible use of sensitive manufacturing and intellectual property data across manufacturing and MRO operations.

### Supporting Business Growth

Cybersecurity is integrated into VSE's approach to business change, including acquisitions and divestitures. As acquisitions continue to be an important part of VSE's growth strategy, the Company focused on strengthening and



standardizing integration playbooks designed to accelerate alignment of newly acquired businesses with VSE cybersecurity standards and data protection practices.

These playbooks support earlier engagement with acquired teams, create clearer expectations for system and data integration, and accelerate deployment of VSE security standards.

### **Framework-Based Approach to Cybersecurity**

VSE leverages the NIST Cybersecurity Framework to provide structure and consistency across its cybersecurity program. The framework supports an understanding of current-state capabilities, helps prioritize improvement efforts, and informs longer-term target-state planning aligned with business needs.

This approach supports prioritization and ongoing improvement of cybersecurity practices as technology and threat landscapes evolve.

### **Preparedness and Operational Resilience**

Operational resilience remains an important focus of VSE's cybersecurity program. In addition to refining incident response playbooks, the Company conducts disaster recovery testing to support the availability and recoverability of critical systems.

These activities include structured exercises to validate recovery capabilities for key enterprise platforms and to support preparedness and continuity planning. Insights from these exercises are used to inform planning and prioritization efforts, reinforcing accountability and coordination across technology and business teams.

### **Responsible Use of Artificial Intelligence**

The use of artificial intelligence presents opportunities to enhance efficiency and effectiveness across the business, while also introducing new considerations related to governance, data use, and compliance. VSE approaches AI adoption thoughtfully, with an emphasis on responsible use and alignment with regulatory expectations.

During 2025, VSE worked collaboratively with business teams, quality functions, and external partners to support AI-enabled initiatives, engaging with relevant regulators and auditors as appropriate. These efforts are intended to ensure AI applications are developed and used in a manner consistent with applicable requirements and VSE's commitment to safety, quality, and responsible innovation.

### **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.

### **Governance and Decision-Making**

Cybersecurity oversight at VSE is integrated into broader governance and decision-making processes. The Chief Information Security Officer works closely with business leaders, legal, compliance, and other stakeholders to align cybersecurity priorities with operational needs and strategic objectives.

This collaborative model supports informed decision-making, enables timely escalation of cybersecurity matters when appropriate, and helps ensure cybersecurity considerations are integrated into business initiatives.



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