

V I S T A



Greenhouse gas (GHG) accounting report

Talon Air

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South Pole

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Table of contents

1. Executive summary	5
<hr/>	
1 Introduction	7
1.1 Methodology	7
1.2 System boundaries	7
1.2.1 Organizational boundaries	7
1.2.2 Operational boundaries	8
1.3 Data inventory and assumptions	10
1.4 Global warming potential (GWP)	10
<hr/>	
2 Results	12
2.1 Corporate-level results	12
<hr/>	
3 Conclusions and recommendations	15
3.1 Conclusions	15
3.2 Recommendations	15
<hr/>	
2. Annex I	16
1. Emission factors	16
<hr/>	
3. Annex II	17
1. Data assumptions and extrapolations	17
<hr/>	
4. Annex III	18
1. Breakdown of emissions by scope and category	18

List of tables

Table 1: Summary of key performance indicators (KPIs)	5
Table 2: GHG emissions by emission source	5
Table 3: Company information	7
Table 4: Offices included in the 2021 GHG accounting	8
Table 5: Overview of scope 1 emission sources for 2021	8
Table 6: Overview of scope 2 emission sources for 2021	9
Table 7: Overview of scope 3 emission sources for 2021	9
Table 8: Applied global warming potentials (GWP)	11
Table 9: Key figures according to the Global Reporting Initiative (GRI)	12
Table 10: GHG emissions by scope and activity for 2021	13
Table 11: Emission factors	16
Table 12: Breakdown of Talon Air's GHG emissions by scope and category in 2021	18

Table of figures

Figure 1: GHG emissions in 2021 by category	6
Figure 2: GHG emissions in 2021 by scope	6
Figure 3: GHG emissions by category for 2021	14

Acronyms and abbreviations

AC	air conditioning
AR4	IPCC Fourth Assessment Report
BEIS	United Kingdom's Department for Business, Energy and Industrial Strategy
CEDA	Comprehensive Environmental Data Archive
CO ₂	carbon dioxide
CO _{2e}	carbon dioxide equivalent
eGRID	Emissions and Generation Resource Integrated Database
GHG	greenhouse gas
GJ	gigajoule
GRI	Global Reporting Initiative
GWP	global warming potential
IPCC	Intergovernmental Panel on Climate Change
IT	information technology
kg	kilogram
km	kilometer
kWh	kilowatt-hour
KPI	key performance indicator
m	meter
m ²	square meter
m ³	cubic meter
MWh	megawatt-hour
N/A	not applicable
pkm	passenger-kilometer
t	metric ton
tkm	ton-kilometer
USD	United States dollar

1. Executive summary

This report presents the greenhouse gas (GHG) emissions footprint for Talon Air's operations in 2021. The accounting followed an operational control approach and considered emissions from scopes 1 and 2, and material categories from scope 3. The office considered in the accounting is located in New York.

A summary of key performance indicators (KPIs) is presented in Table 1.

Table 1: Summary of key performance indicators (KPIs)

Number of employees	78	tCO ₂ e/employee	1,949
Premises area	One office of 1,271 square meters (m ²)	tCO ₂ e/m ²	120

(Source: South Pole, 2022)

The total GHG emissions of Talon Air's operations for the calendar year 2021 were 152,034 metric tons of carbon dioxide equivalent (tCO₂e). Table 2 provides an overview of the 2021 GHG emissions by scope. Please note that, due to rounding of numbers, the figures may not add up exactly to the total provided.

Table 2: GHG emissions by emission source

Scope	Emissions (tCO ₂ e)	Percentage (%) of total
Scope 1: direct GHG emissions	52,323	34%
Scope 2: indirect GHG emissions from purchased electricity, heating and cooling	185	0%
Scope 3: other indirect GHG emissions	99,527	65%
Total GHG emissions	152,034	100%

(Source: South Pole, 2022)

The distribution of the 2021 GHG emissions by category is presented in Figure 1. The largest emission sources in 2021 were upstream leased assets and mobile combustion, corresponding to 55% and 34% of total emissions, respectively.

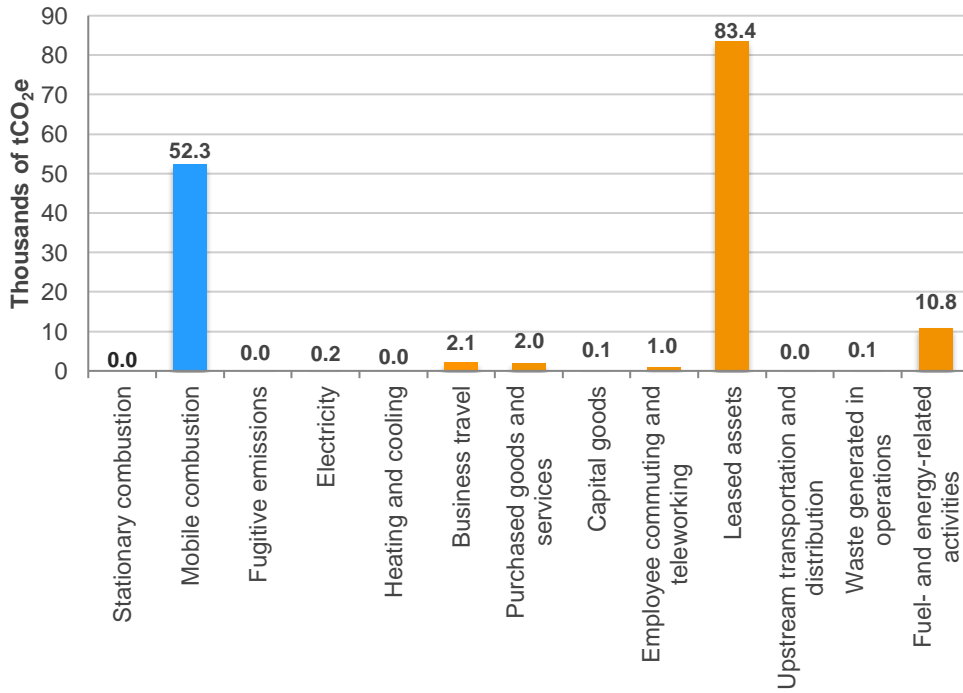


Figure 1: GHG emissions in 2021 by category

(Source: South Pole, 2022)

Figure 2 shows a summary of the total emissions by scope. Scope 3 has the highest contribution to GHG emissions, accounting for 65.46% of the total footprint.

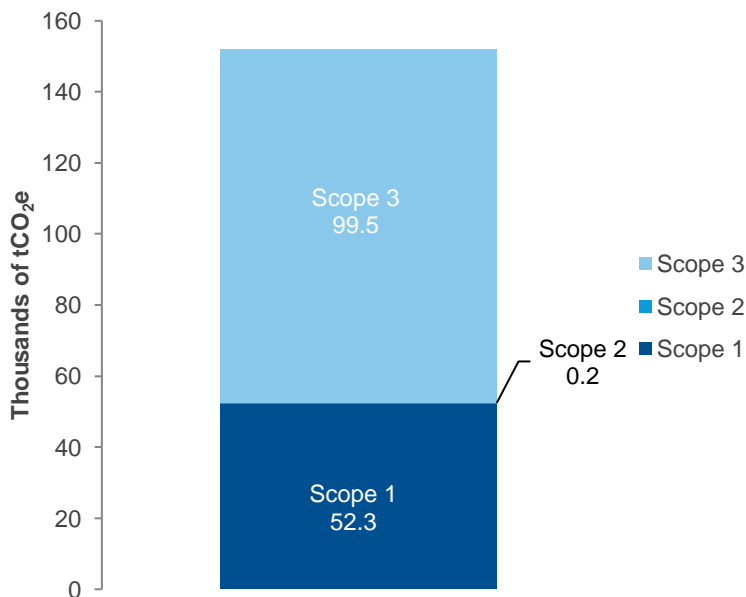


Figure 2: GHG emissions in 2021 by scope

(Source: South Pole, 2022)

1 Introduction

Talon Air is a private jet charter company founded in 2001. This report provides a summary of the GHG emissions from Talon Air's corporate operations from January 1 to December 31, 2021. The company information and the reporting period are presented in Table 3.

Please note that Talon Air is part of Vista Global Holding (Vista), a group integrating private aviation services via an ecosystem of owned brands and participated companies, including VistaJet, XOJET Aviation, XO, Talon Air, Red Wing Aviation, GMJ Air Shuttle and Apollo Jets.

Table 3: Company information

Company information	
Website	www.talonairjets.com
Business area	Private jet charter company
Reporting period	January 1 to December 31, 2021

(Source: South Pole, 2022)

1.1 Methodology

The GHG accounting and reporting procedure is based on the 'The Greenhouse Gas Protocol: GHG Protocol: A Corporate Accounting and Reporting Standard – Revised Edition' (GHG Protocol) and the complementary 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard' – the most widely used international accounting tools for government and business leaders to understand, quantify, and manage GHG emissions. The standards were developed in a partnership between the World Resources Institute and the World Business Council for Sustainable Development.

The accounting was based on the principles of the 'GHG Protocol':

- **Relevance:** establishing an appropriate inventory boundary that reflects the GHG emissions of the company and serves the decision-making needs of users;
- **Completeness:** including all emission sources within the chosen inventory boundary. Any specific exclusion is disclosed and specified;
- **Consistency:** ensuring meaningful comparison of information over time and transparently documenting changes to the data;
- **Transparency:** guaranteeing data inventory sufficiency and clarity, where relevant issues are addressed in a coherent manner; and
- **Accuracy:** minimizing uncertainty and avoided systematic over- or under-quantification of GHG emissions.

1.2 System boundaries

1.2.1 Organizational boundaries

System boundaries were defined by the control approach, i.e., covering all entities where Talon Air has operational control. With this approach, Talon Air is taking ownership of 100% of emissions from facilities and offices over which it has operational control and/or the authority to implement operational policies. The 2021 GHG accounting included an office in New York.

Table 4 shows the New York office included in the 2021 GHG inventory.

Table 4: Offices included in the 2021 GHG accounting

Country	Location	Area (m ²)	Headcount
United States	New York	1,271	78
Total		1,271	78

(Source: South Pole, 2022)

1.2.2 Operational boundaries

Under the 'GHG Protocol', emissions are divided into direct and indirect emissions. Direct emissions are those originating from sources owned or controlled by the reporting entity. Indirect emissions are generated as a consequence of the reporting entity's activities but occur at sources owned or controlled by another entity.

The direct and indirect emissions are divided into three scopes, as found below.

Scope 1

Scope 1 includes all carbon emissions that can be directly managed by the organization (direct GHG emissions). This includes the emissions from the combustion of fossil fuels in mobile and stationary sources (e.g., owned or controlled boilers, power generators and vehicles) and carbon emissions generated by chemical and physical processes, as well as fugitive emissions from the use of cooling and air conditioning (AC) equipment. Table 5 gives an overview of the emission sources considered in scope 1, based on the information provided by Talon Air.

Table 5: Overview of scope 1 emission sources for 2021

Category	Emission sources	Boundary
Stationary combustion	Generation of electricity and heat	Not applicable (N/A)
Mobile combustion	Company-owned or leased vehicles	Included
Physical or chemical processing	Manufacture or processing of chemicals and materials	N/A
Fugitive emissions	Emissions from the use of cooling systems and AC equipment, leakage from CO ₂ tanks or methane tubes	Included

Scope 2

Scope 2 includes indirect GHG emissions from the generation of purchased electricity, steam, heat or cooling purchased by the organization from external energy providers. Table 6 gives an overview of the emission sources considered in scope 2.

Table 6: Overview of scope 2 emission sources for 2021

Category	Emission sources	Boundary
Electricity	Purchased electricity	Included (including heating and cooling)
Steam	Purchased steam	N/A
District heating	Purchased district heating	N/A
District cooling	Purchased district cooling	N/A

Scope 3

Scope 3 includes other indirect emissions that arise along the value chain as a consequence of the reporting company's activities. These emission sources occur in another entity's operations. Examples of scope 3 emission sources include the extraction and production of purchased materials and services, vehicles not owned or controlled by the reporting entity, and outsourced activities and waste disposal.

According to the 'GHG Protocol', companies shall separately account for and report on emissions from scope 1 and 2. Scope 3 is an optional reporting category, but its reporting is often required for climate neutrality labels.

Table 7 gives an overview of the emission sources considered in scope 3.

Table 7: Overview of scope 3 emission sources for 2021

Category	Emission sources	Boundary
Purchased goods and services	Purchased goods (raw materials) and services	Included (e.g., water supply, paper, marketing material and consumables, aircraft maintenance)
Capital goods	Production of capital goods (e.g., machinery, information technology [IT] equipment, etc.)	Included
Fuel- and energy-related activities	Upstream life cycle emissions from fuel and electricity generation, incl. transmission and distribution losses	Included
Upstream transportation and distribution	Transportation and distribution of goods and services to the company	Included (air and land)
Waste generated in operations	Waste management of operational waste (landfilling, recycling, etc.)	Included

Category	Emission sources	Boundary
Business travel	Travel and accommodation of employees/contractors	Included
Employee commuting	Employee travel between home and work	Included
Upstream leased assets	Operation of assets leased by the organization (lessee) in the reporting year and not included in scope 1 or 2	Included
Downstream transportation and distribution	Transportation and distribution of products sold by the organization	Not material. Not included
Processing of sold products	Processing of intermediate products sold by the organization	Not material. Not included
Use of sold products	Use of sold goods that require energy to operate	Not material. Not included
End-of-life treatment of sold products	Waste disposal and treatment of sold products	Not material. Not included
Downstream leased assets	Operation of assets owned by the company (lessor) and leased to other entities, not included in scope 1 or 2	Not material. Not included
Franchises	Operation of franchises not included in scope 1 or 2	Not material. Not included
Investments	Operation of investments not included in scope 1 or 2	Not material. Not included

1.3 Data inventory and assumptions

Overall, the data inventory, emission factors, and assumptions are based on the 'GHG Protocol'. The choice of assumptions and emission factors followed a conservative approach. Unless otherwise specified, all emission values in this report are given in metric tons of carbon dioxide equivalent (tCO₂e).

Where activity data of the inventory was lacking, extrapolations and estimations were made. The complete overview of activity data, extrapolations, and estimations is summarized in Annex II.

1.4 Global warming potential (GWP)

Global warming potential (GWP) is a measure of the climate impact of a GHG compared to carbon dioxide over a time horizon. GHG emissions have different GWP values depending on their efficiency in absorbing longwave radiation and the atmospheric lifetime of the gas. The GWP values used in GHG accounting include the six GHGs covered by the United Nations Framework Convention on Climate Change and Kyoto Protocol and combinations of these, as presented in Table 8. These are the GWP used by the United Kingdom's Department for Business, Energy and Industrial Strategy (BEIS) and are based on the 'Intergovernmental Panel on Climate Change

(IPCC) Fourth Assessment Report (AR4)'. Although the 'AR5' is more recent, it has not been accepted internationally by all stakeholders.

Table 8: Applied global warming potentials (GWP)

GHG	GWP (100 years)
Carbon dioxide (CO ₂)	1
Methane (CH ₄)	25
Nitrous oxide (N ₂ O)	298
Hydrofluorocarbons (HFCs)	See IPCC AR4 – Table 2.14
Perfluorocarbons (PFCs)	See IPCC AR4 – Table 2.14
Sulphur hexafluoride (SF ₆)	22,800

(Source: IPCC AR4, 2007)

2 Results

The results of the 2021 GHG emissions accounting are presented as follows:

- 1) Key information according to the Global Reporting Initiative (GRI) in Table 9
- 2) Results of emissions at the corporate level in Table 10

Total emissions in this report refers to the emissions sources covered, as described in Section 1.2. Please note that, due to rounding of numbers, the figures may not add up exactly to the total provided. Also, note that the following figures and tables consider the market-based numbers in scope 2 when calculating emission totals. The market-based numbers consider renewable energy purchase instruments and contracts, such as renewable energy certificates, renewable power contracts, and green tariffs. On the contrary, location-based numbers only consider average regional production emission factors when calculating emissions.

2.1 Corporate-level results

Talon Air's total emissions in 2021 are 151,873 tCO₂e. The key figures according to the GRI are presented in Table 9.

Table 9: Key figures according to the Global Reporting Initiative (GRI)

GRI G4	GRI Standards	Topic	Quantity	Unit
G4-EN3	302-1	Direct energy consumption by primary source	761	GJ
		Aviation fuel	761	GJ
		Diesel	0	GJ
		Natural gas	0	GJ
G4-EN3	302-1	Indirect energy consumption by primary source	17	GJ
		Renewable electricity	0	GJ
		Grid electricity	17	GJ
		District cooling	0	GJ
G4-EN15	305-1	Direct GHG emissions (scope 1)	52,323	tCO ₂ e
G4-EN16	305-2	Energy indirect GHG emissions (scope 2)	185	tCO ₂ e
G4-EN17	305-3	Other indirect GHG emissions (scope 3)	99,527	tCO ₂ e
G4-EN18	305-4	GHG emission per employee	1,949	tCO ₂ e per employee

(Source: South Pole, 2022)

Table 10: GHG emissions by scope and activity for 2021

Activity	Emissions (tCO ₂ e)	Percentage of total (%)
Scope 1: direct GHG emissions	52,323	34%
Stationary combustion	0	0%
Mobile combustion	52,321	34%
Refrigerants	2	0%
Scope 2: indirect GHG emissions from purchased electricity, heating and cooling	185	0%
Electricity	185	0%
Heating and cooling	0	0%
Scope 3: other indirect GHG emissions	99,527	65%
Purchased goods and services	1,972	1%
Capital goods	94	0%
Fuel- and energy-related activities	10,832	7%
Upstream transportation and distribution	28	0%
Waste generated in operations	108	0%
Business travel	2,131	1%
Employee commuting and teleworking	951	1%
Upstream leased assets	83,410	55%
Total GHG emissions	152,034	100%

(Source: South Pole, 2022)

Figure 3 shows a breakdown of emissions by category. Upstream leased assets and mobile combustion represent the most important categories, corresponding to 55% and 34% of total emissions, respectively. Together, these emission categories cover 89% of Talon Air's total emissions. Other relevant categories include fuel- and energy-related activities (7%) and business travel (1%).

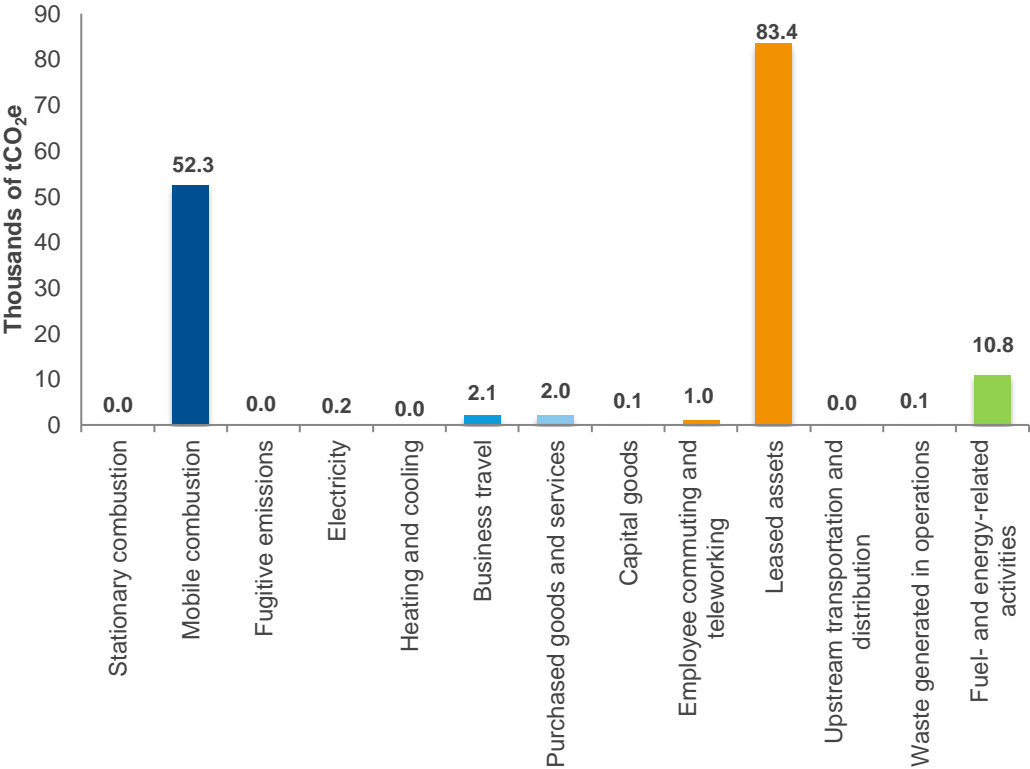


Figure 3: GHG emissions by category for 2021

(Source: South Pole, 2022)

3 Conclusions and recommendations

3.1 Conclusions

The 2021 GHG footprint was estimated in accordance with the 'GHG Protocol'. Where activity data for the inventory was lacking, extrapolations and estimations were made, and the choice of assumptions and emission factors followed a conservative approach. It is best practice to improve the quality of the accounting from each reporting period to the next.

The main emission category is upstream leased assets, due to the aircraft leased expenditure. The second most relevant emission category is mobile combustion, due to the amount of aviation fuel used in the operations of the fleet. The third most relevant emission category is fuel- and energy-related activities, which is a result of the use of fuels and electricity consumption. The category of fuel- and energy-related activities is directly correlated with the category of mobile combustion. This means that if a reduction in aviation fuel use is achieved or a switch to a fuel with a lower carbon intensity is achieved, the reduced emissions in mobile combustion will be directly reflected in the fuel- and energy-related activities category.

3.2 Recommendations

For the 2022 GHG accounting estimation, Talon Air should evaluate whether the following points are relevant for its sustainability strategy. Its implementation could make the data assessment process more efficient and would improve the accuracy of the GHG accounting of the company's operations.

Scope 1 and 2 accounting improvements

Primary activity data on fugitive emissions, such as accounting for refrigerant leakage of AC systems, would improve the accuracy of scope 1 emissions. Due to the magnitude of their GWP, it is necessary to keep a good registry of the refrigerants purchased and consumed by the company's facilities. Furthermore, some electricity consumption was reported as cost based. Ideally, primary data on electricity consumption should be collected to improve the accuracy of the GHG footprint. Using kilowatt-hours (kWh) or gigajoules (GJ) is generally more accurate, as the emission factors based on costs include more assumptions.

Scope 3 accounting improvements

Upstream leased assets are the most relevant scope 3 categories and should therefore be prioritized for the data collection in the next reporting period.

2. Annex I

1. Emission factors

Table 11: Emission factors

Activity	Emission factor reference ¹
Stationary combustion, mobile combustion, and fuel-related activities	BEIS, 2021.
Electricity and electricity-related activities	Emissions and Generation Resource Integrated Database (eGRID), 2019.
Refrigerants	IPCC, 2005.
Business travel	BEIS, 2021; Comprehensive Environmental Data Archive (CEDA), 2021.
Business accommodation	Cornell Hotel Sustainability Benchmarking, 2021.
Commuter travel	BEIS, 2021.
Teleworking	BEIS, 2021; International Energy Agency (IEA), 2021; eGRID, 2019; Anthesis, 2020.
Global marketing and consumables	CEDA, 2021.
Meal, food and drink products	CEDA, 2021.
Maintenance labor and materials	CEDA, 2021.
Other purchased good and services	CEDA, 2021; BEIS, 2021; Ecoinvent 3.8; South Pole calculated.
IT equipment	Apple, 2021; Dell, 2021; South Pole calculated; Samsung, 2021; IBM, 2016; Konica Minolta, 2018.
IT services	Google, 2012; Microsoft, 2021; IPCC, 2014
Waste	BEIS, 2021.
Leased assets	CEDA, 2021.

¹ South Pole derives its emission factors from reliable and credible sources. South Pole is not responsible for inaccuracies in emission factors provided by third parties.

3. Annex II

1. Data assumptions and extrapolations

Refrigerants

Talon Air didn't provide refrigerant usage data. As no data was provided, South Pole estimated refrigerant consumption using the 'GHG Protocol' HFC tool and the following assumptions: two AC units using six kilograms (kg) of refrigerant per charge and an annual leakage of 10%.

Aviation Fuel

Fuel type was not specified. It was assumed to be A1 jet fuel, with a density of 808 kg/cubic meter (m³).

Business travel – ground

Talon Air provided actual car day rentals. Distance traveled was lacking so it was assumed that 46.67 km was traveled per rental day to estimate the km traveled.

Waste

Talon Air didn't provide data regarding waste generated in operations. The emissions regarding this category were extrapolated using data from other entities which provided data for this category.

Upstream transportation and distribution

Talon Air didn't provide data regarding upstream shipments. The emissions regarding this category were extrapolated using data from other entities which provided data for this category.

Purchased goods and services

- **Labor costs:** Talon Air didn't provide data regarding labor costs. The emissions were extrapolated based on head count using data from other entities which provided data for this category.
- **Food and catering:** Talon Air didn't provide data regarding food and catering. The emissions were extrapolated from data provided by VistaJet based on head count.
- **Global consumables on board:** Talon Air didn't provide data regarding global consumables on board. The emissions regarding this category were extrapolated from data provided by VistaJet based on head count.
- **Maintenance freight:** Talon Air didn't provide data regarding global maintenance freight expenditure. The emissions regarding this category were extrapolated from data provided by VistaJet and Red Wing Aviation based on head count.

4. Annex III

1. Breakdown of emissions by scope and category

Table 12: Breakdown of Talon Air's GHG emissions by scope and category in 2021

Activity	Consumption	Unit	Emissions (tCO ₂ e)	Percentage of total (%)
Scope 1: direct energy use per primary source			52,323	34%
Stationary combustion			0	0%
Diesel	-	m ³	-	-
Natural gas	-	MWh	-	-
Mobile combustion			52,321	34%
Aviation fuel	20,557,429	liter	52,321	34%
Refrigerant leakage			2.00	0%
R410A	Extrapolations	-	2	0%
Scope 2: indirect GHG emissions from purchased electricity, heating and cooling			185	0%
Electricity	234	MWh	185	0%
Renewable	-	MWh	-	-
Grid	234	MWh	185	0%
Data center	-	MWh	-	-
Heating and cooling	-	MWh	-	-
Scope 3: other indirect GHG emissions			99,527	65%
Purchased goods and services			1,972	1%
Water	652,226	liter	0	0%
Cloud services			0	0%
Office 365	235	user	0	0%
Paper			7	0%
Unspecified	4,371	kg	4	0%
Unspecified	2,853	USD	3	0%
Other consumables			236	0%
Food and drink products	Extrapolations	-	6	0%
Office supplies (except paper) manufacturing	24,921	USD	7	0%

Greenhouse gas (GHG) accounting report

Activity	Consumption	Unit	Emissions (tCO ₂ e)	Percentage of total (%)
Consumables on board	Extrapolations	-	223	0%
Aircraft maintenance			1,729	1%
Maintenance freight	Extrapolations	-	9.24	0%
Labor costs	Extrapolations	-	1,720	1%
Capital goods			94	0%
IT equipment			94	0%
Laptop	29	unit	9	0%
Server	6	unit	5	0%
Monitor or computer screen	150	unit	38	0%
Printer	15	unit	7	0%
Office telephone	71	unit	5	0%
Mobile devices e.g., eReader or iPad	115	unit	30	0%
Television	11	unit	0	0%
Fuel- and energy-related activities			10,832	7%
Well-to-tank and transmission and distribution		-	10,832	7%
Aviation fuel	20,557,429	liter	10,832	7%
Electricity	4,681	kWh	0	0%
Upstream transportation and distribution			28	0%
Road	12,366	tkm	3	0%
Courier	114,014	USD	25	0%
Waste generated in operations			108	0%
General	Extrapolation	-	108	0%
Business travel			2,131	1%
Flights	6,602,561	pkm	1,315	1%
<463 km	140,851	pkm	38	0%
463-3,700 km	5,048,369	pkm	882	1%
>3,700 km	1,413,340	pkm	394	0%
Car rental			104	0%
Rental car	233,028	km	45	0%

Greenhouse gas (GHG) accounting report

Activity	Consumption	Unit	Emissions (tCO ₂ e)	Percentage of total (%)
Rental car	29,240	USD	59	0%
Accommodation	13,619	occupied room	712	0%
Employee commuting and teleworking			951	1%
Walk	Extrapolation	-	0	0
Bicycle	Extrapolation	-	0	0
Bicycle (eBike)	Extrapolation	-	0	0
Bus	Extrapolation	-	0	0
Train	Extrapolation	-	0	0
Tram/light rail	Extrapolation	-	15	0
Car (petrol)	Extrapolation	-	718	0
Car (diesel)	Extrapolation	-	0	0
Car (hybrid electric vehicle)	Extrapolation	-	0	0
Car (battery electric vehicle)	Extrapolation	-	0	0
Taxi (one passenger)	Extrapolation	-	3	0
Taxi (shared)	Extrapolation	-	0	0
Motorbike	Extrapolation	-	4	0
Ferry	Extrapolation	-	0	0
Airplane	Extrapolation	-	201	0
Working from home	4,255.00	person-days	9	0
Upstream leased assets	83,410		83,410	55%
Upstream leased assets	41,161,382	USD	83,410	55%
Total GHG emissions			152,034	100%

(Source: South Pole, 2022)

