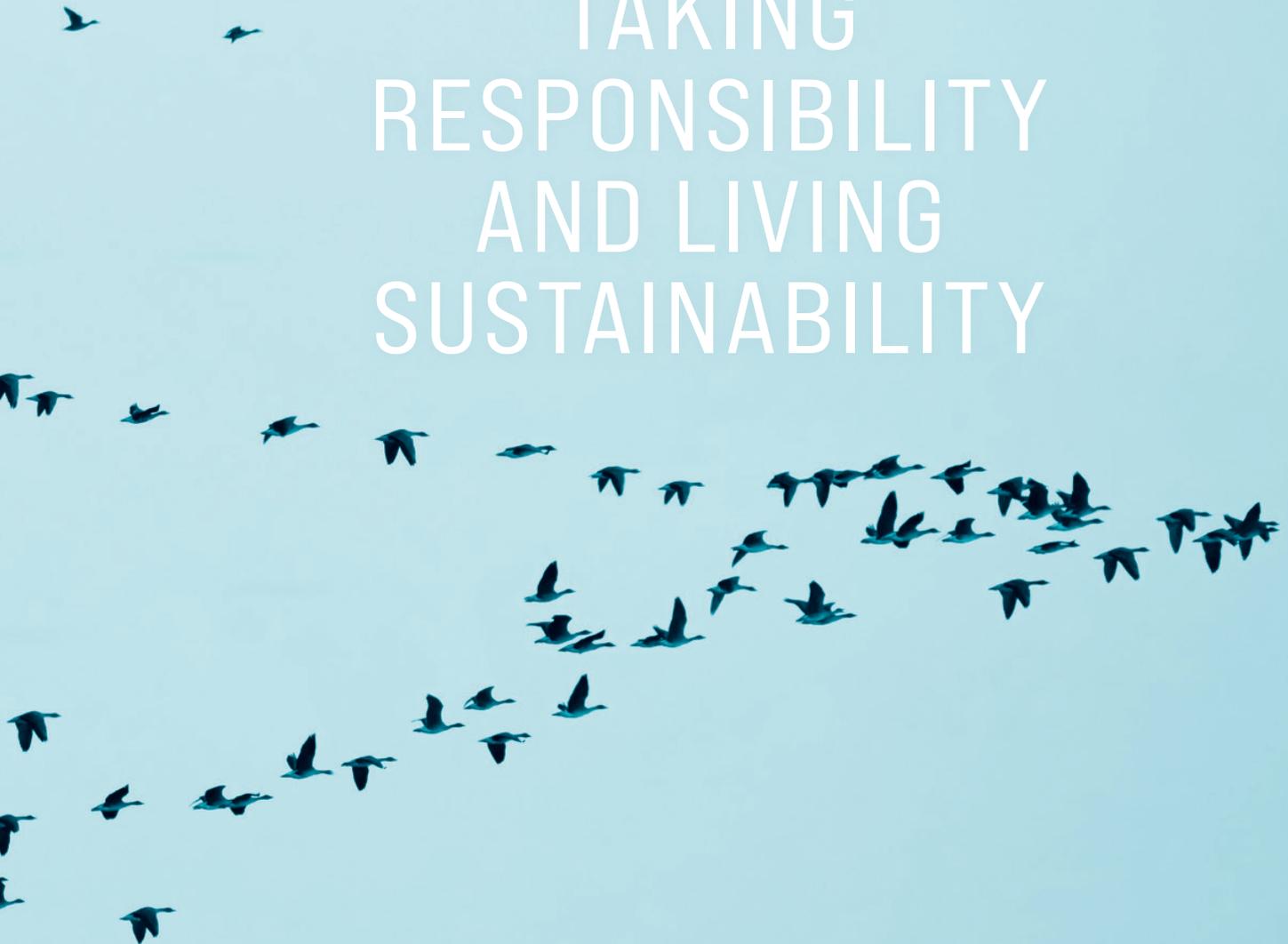




MONTANA
AEROSPACE

TAKING RESPONSIBILITY AND LIVING SUSTAINABILITY



ESG REPORT
2022



ESG REPORT

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RAMPING UP THE POWER!

Corona pandemic, war in Ukraine, inflation — gloomy news has dominated our everyday life for months.

In 2022, we also saw the crisis as an opportunity, looked for new perspectives and grew personally, as a team and as a company. Through our strategic direction, successfully completed new acquisitions in 2022 and investments in new production facilities and capacities, we are now well positioned for the future and new challenges to come.

We successfully expanded all of our new production facilities, developed new programs, acquired new orders, and developed an international recruiting strategy.

In terms of sustainable practices, we were able to extend our one stop shop concept and recycling capabilities to our three segments, aerospace, energy, and e-mobility, as well as our corporate culture to all of our locations.

BUSINESS MODEL

As a global industrial group, Montana Aerospace specializes in the key technologies needed for three markets of the future: aerospace, e-mobility and energy. Our efforts also focus on achieving technology and market leadership in e-mobility and energy.

As a highly integrated company, we design, develop and manufacture system components and complex assemblies made of aluminum, titanium, composites, copper and steel.

Our strong innovation capabilities and commitment to sustainability are paving the way for our future as an industrial group. Equipped with a deeply integrated value chain, recycling expertise for aluminum and copper, and innovative production processes in each of our business segments, we are well-prepared for a sustainable future. These strengths make us an important partner for the world's leading manufacturers in the aerospace, e-mobility and energy industries and their tier 1 suppliers.

22 locations in 13 countries in Europe, North America, South America and Asia demonstrate our customer proximity, as do our engineering and sales centers located around the world. Our concept consists of advising, developing, producing and providing service on a local-to-local basis within a global network. ~6,700 dedicated employees, fast response times, intelligent logistics concepts, and cost-optimized solutions are the cornerstones of our long-term customer relationships.

MONTANA AEROSPACE AT A GLANCE*

BUSINESS SEGMENTS



Aerostructures



E-Mobility



Energy

Multi-material competence in



composites, aluminum, titanium, copper and steel

22
locations
worldwide

6,700
highly qualified
employees

7
engineering and
development
centers

>200
years of experience in metallurgy
and materials processing

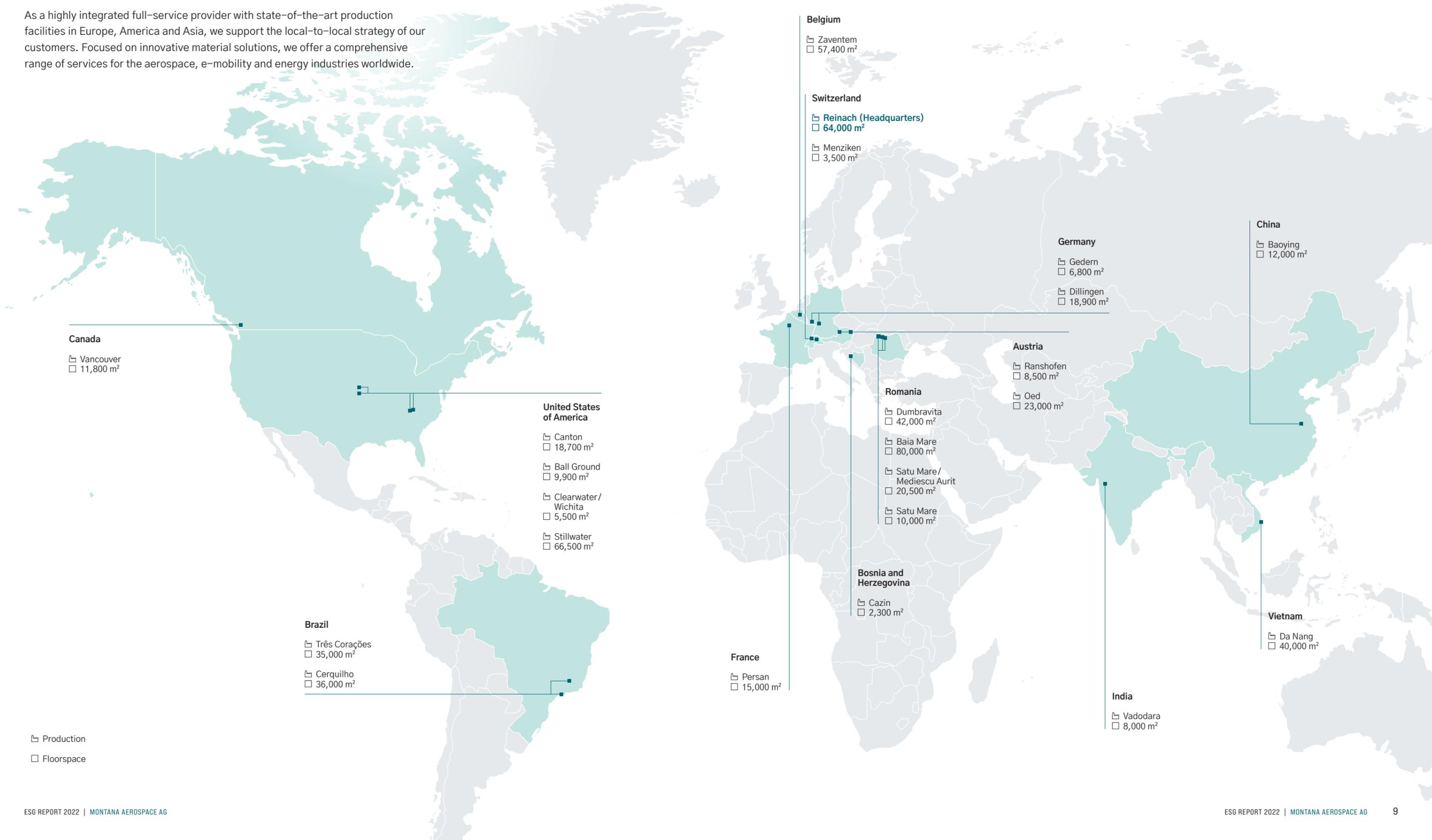
>300
CNC machines & >400 spindles in
several high tech machine parks



High-profile global customer base

CLOSE TO CUSTOMERS WORLDWIDE

As a highly integrated full-service provider with state-of-the-art production facilities in Europe, America and Asia, we support the local-to-local strategy of our customers. Focused on innovative material solutions, we offer a comprehensive range of services for the aerospace, e-mobility and energy industries worldwide.



Production
Floorspace



OUR BUSINESS SEGMENTS

As a globally operating industrial group, we specialize in key technologies in three markets of the future. In addition to the **aerostructures** segment, we also focus on technology and market leadership in **e-mobility** as well as in high energy and **energy** infrastructure segments. Diversification is targeted in order to strengthen our business model and to offset the effects of different economic cycles.

Across our three business units, we are committed to excellence in all core processes in our value chain, to the sustainable and resource-efficient use and processing of raw materials, and to the continuous reduction of our CO₂ emissions. This increases our competitive advantage, creates added value not only for our customers but the environment in general and enhances the motivation and team spirit of our employees.

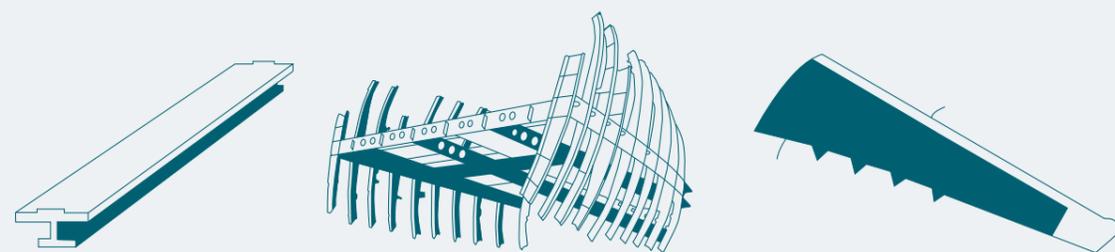




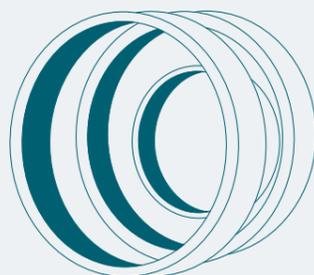
AEROSPACE

We are an important partner for leading aircraft manufacturers. Montana Aerospace's core competencies include the development and manufacture of mission-critical aircraft parts.

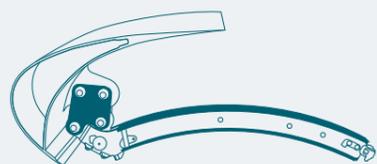
Our product portfolio ranges from structural components for fuselage, wings and landing gear - with more than 20 meters of length - to critical engine components subject to thermal and mechanical loads, high lift mechanisms and functional components for the cabin interior.



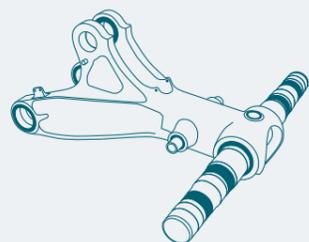
Complex structural components for fuselage and wings



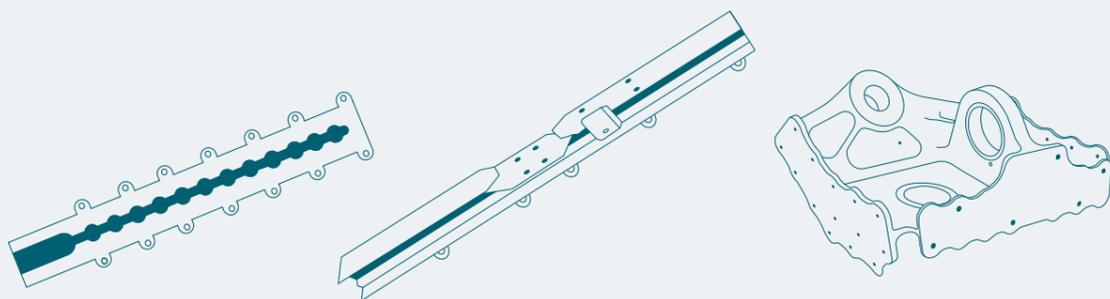
Critical Engine Components



High Lift Mechanism



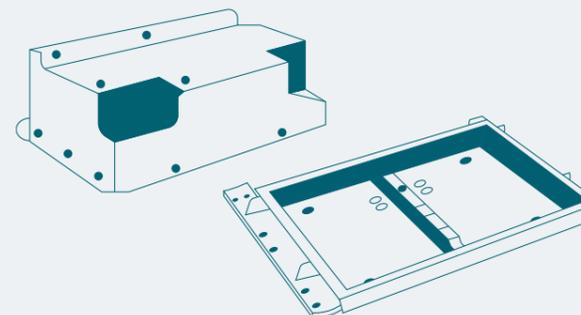
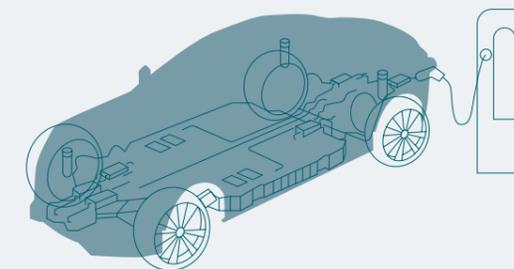
Landing Gear



Functional components out of hard metals for the aircraft structure as well as the cabin interior fittings

E-MOBILITY

Montana Aerospace focuses on sophisticated lightweight components for the e-mobility segment. Our customers rely on our expertise for the production of complex components and assemblies, such as crash management systems and battery boxes.



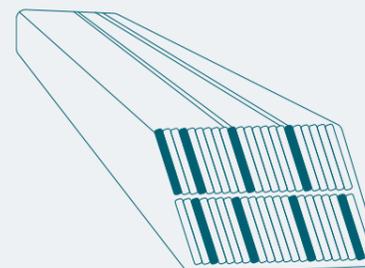
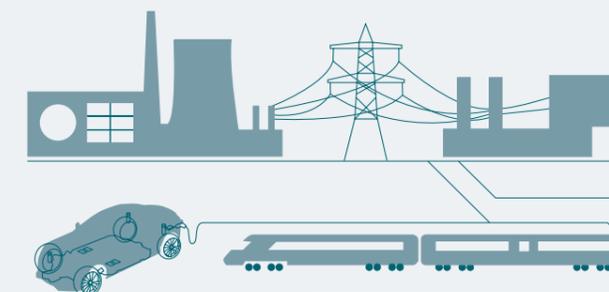
Components for e-battery systems



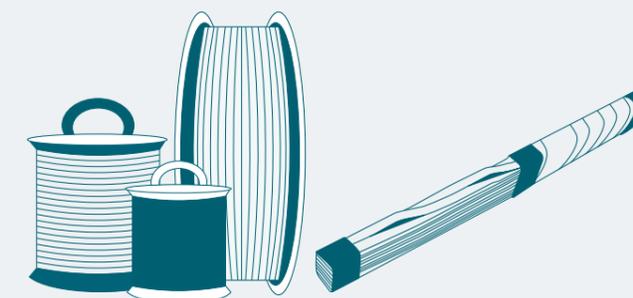
Structural components and crash management systems

ENERGY

We are a market leader in the production of system-critical components for the energy infrastructure. Montana Aerospace specializes in copper processing and has high-level expertise in copper refinement and insulation systems.



Special products



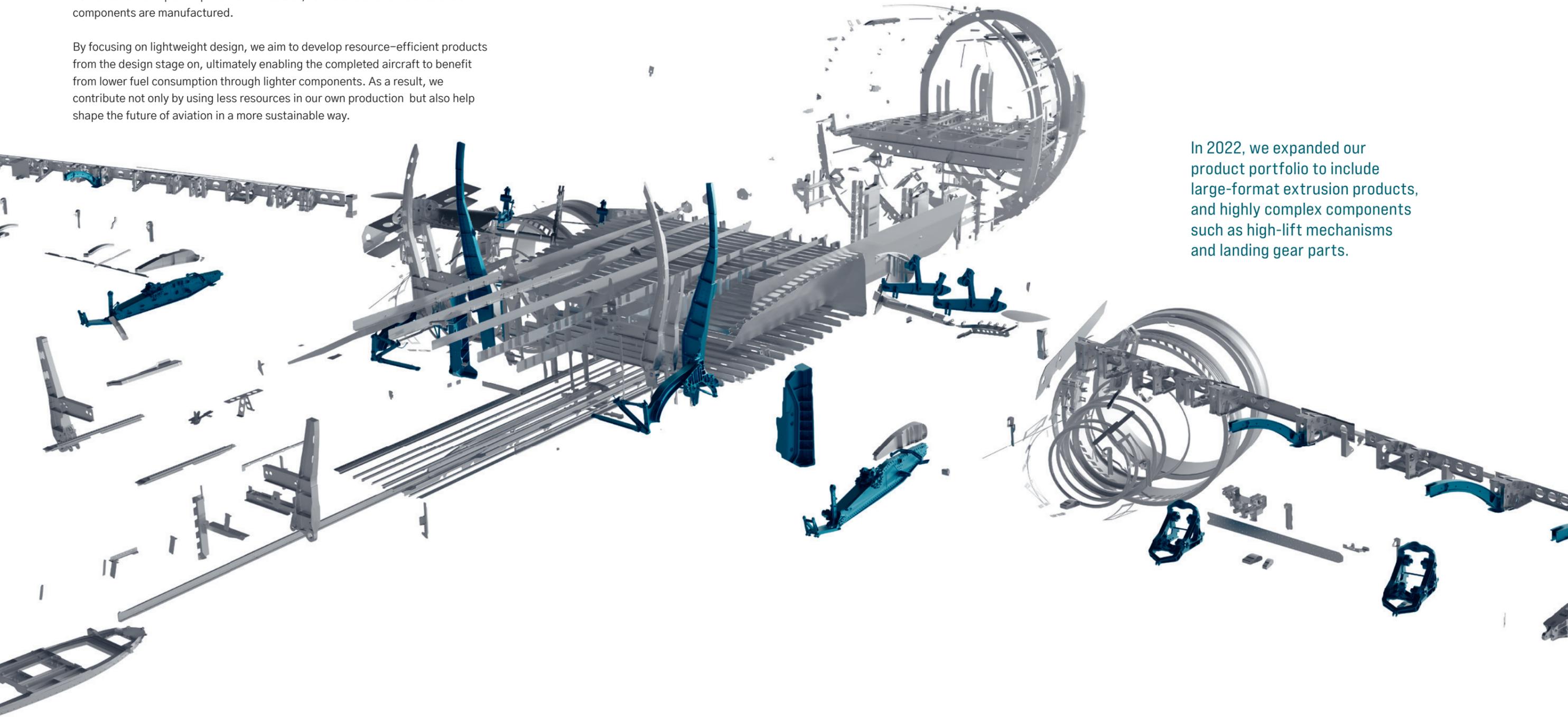
Components for transformers, generators & motors

COMPETENCE CENTER FOR THE AEROSPACE INDUSTRY

At Montana Aerospace's production facilities, 1.5 million commercial aircraft components are manufactured.

By focusing on lightweight design, we aim to develop resource-efficient products from the design stage on, ultimately enabling the completed aircraft to benefit from lower fuel consumption through lighter components. As a result, we contribute not only by using less resources in our own production but also help shape the future of aviation in a more sustainable way.

In 2022, we expanded our product portfolio to include large-format extrusion products, and highly complex components such as high-lift mechanisms and landing gear parts.



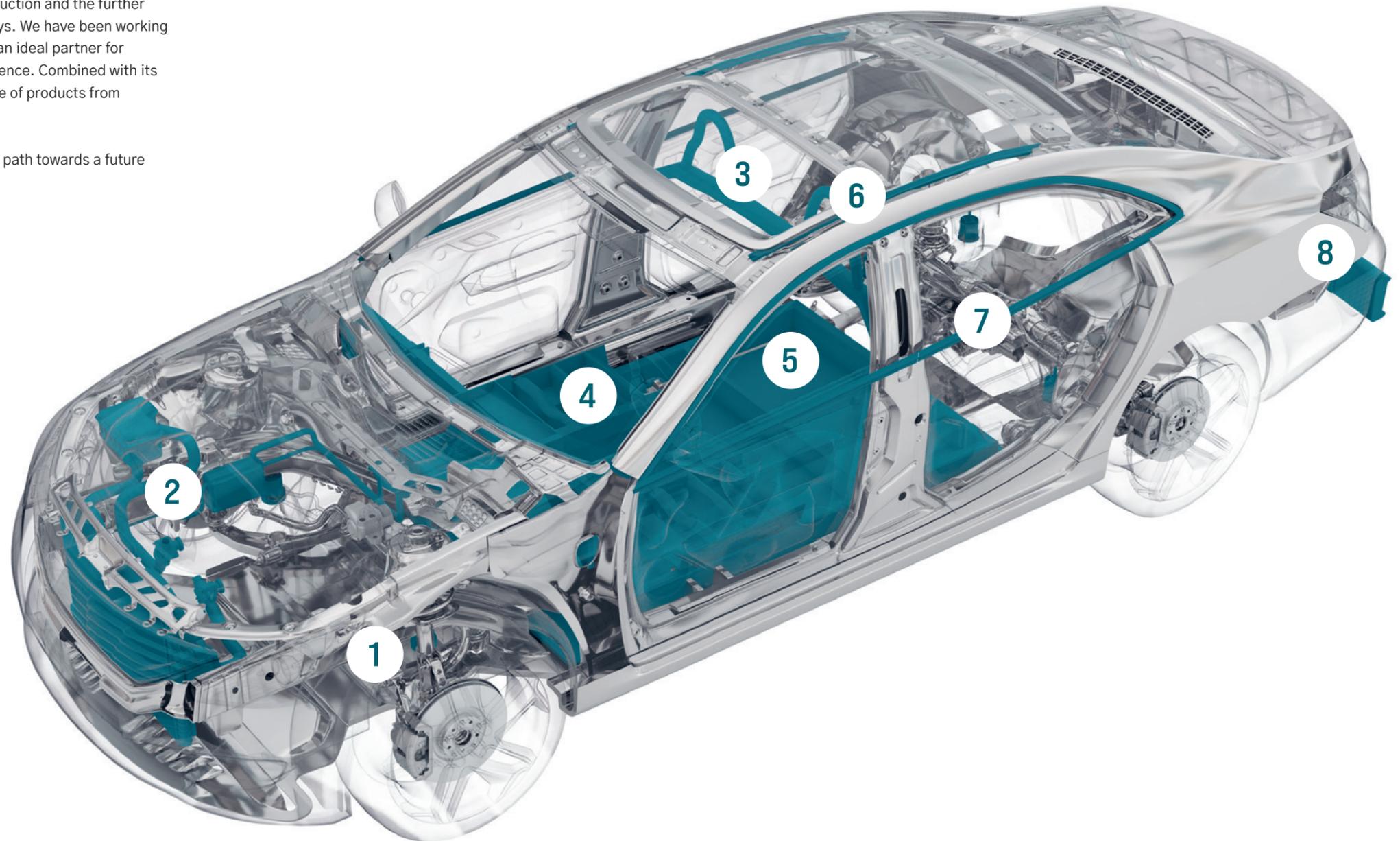
EXCELLENCE IN LIGHTWEIGHT DESIGN FOR THE E-MOBILITY INDUSTRY

The main drivers of the automotive industry are constant weight reduction and the further development of technologies and materials such as magnesium alloys. We have been working with our customers in these areas for years. Montana Aerospace is an ideal partner for automotive manufacturers and suppliers and boasts years of experience. Combined with its technical expertise, Montana Aerospace is able to offer a wide range of products from aluminum profiles to ready-to-install components.

With our products for the e-mobility industry, we aim to support the path towards a future free of fossil fuels.

We offer solutions for many areas within the car:

- 1 Chassis
- 2 Fluid systems
- 3 Structural components
- 4 Seat structure
- 5 Battery housing, cover, casing and cooling
- 6 Roof systems
- 7 Exterior
- 8 Crash management

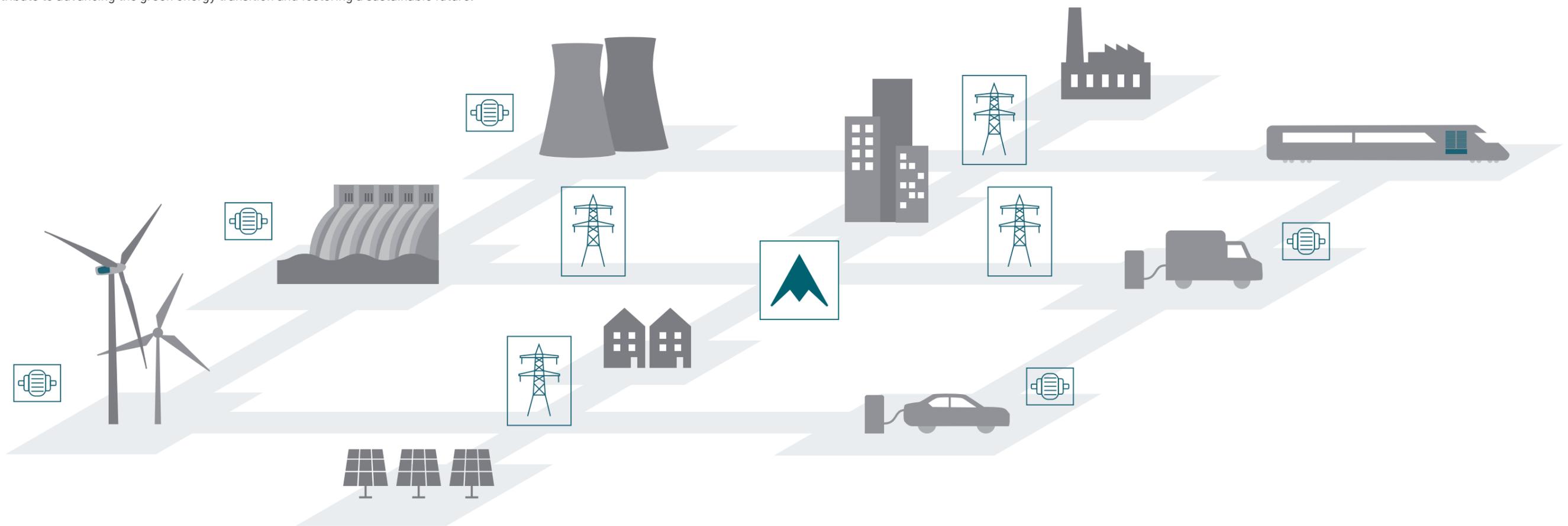


POWERING THE GLOBAL TRANSITION TO GREEN ENERGY

With energy consumption on the rise and our climate's time running out, the chance for incremental improvements has passed. We are in need of drastically optimizing the efficiency of existing systems.

Montana Aerospace products are used throughout the entire energy infrastructure. We produce components for generators at power plants to produce electricity, for high-voltage transformers that convey electricity and control voltage, and for the (e-)mobility sector.

By providing innovative solutions for both past and present projects within the energy sector, we actively contribute to advancing the green energy transition and fostering a sustainable future.



THE MONTANA AEROSPACE ONE-STOP-SHOP CONCEPT

Streamlining logistic chains through vertical integration

Our facilities throughout the world cover the various steps of the supply chain, including recycling and casting, extrusion, forming and processing as well as surface treatment and sub-assembling. This results in shorter delivery times and a reduction of CO₂ emissions through the use of optimized delivery routes. With our one-stop-shop, our mission is to further enhance our customers' excellence and help them achieve their sustainability goals.



Titanium Seat Track

CHANGE THE GAME

Not all of Montana Aerospace's innovations are visible to the naked eye — some progress can only be measured in numbers. The efficiency of the Montana Aerospace one-stop-shop concept is one of these innovations.

A direct comparison of a conventional non-integrated supply chain with Montana Aerospace's highly integrated one, using the example of a "Titanium Seat Track", which represents the fastening element for passenger seats, clearly shows that the one-stop-shop model creates tremendous benefits for our customers.



-5 suppliers

The number of suppliers decreased from 7 to 2



-15,000 km

The transport routes shortened from 17,000 km to 2,000 km



-780t tons

CO₂ footprint is reduced by ~60%



-50 weeks

Delivery time is shortened from 60 to 10-12 weeks



BOOSTING CIRCULARITY!

At Montana Aerospace, we are committed to enhancing our production processes to minimize waste, boost recycling efforts, and reduce material usage throughout the production cycle. Our cutting-edge manufacturing capabilities enable us to diminish initial waste of materials from the onset, and our recycling know-how allows us to proficiently recycle aluminum and now also copper. By leveraging these skills, we consistently work towards sustainable production practices and resource conservation.

ENVIRONMENT, SOCIAL RESPONSIBILITY AND GOVERNANCE AT MONTANA AEROSPACE

About this report

The ESG Report presents our activities, progress and developments in the area of sustainability. It covers our financial year from 1 January to 31 December 2022 and provides an overview of the company's performance and presents selected key performance indicators.

The report includes information on 33* of our locations in over 17* countries that employ 7,200* persons where we have a controlling influence over operations. Montana Aerospace's subsidiaries, Cefival and ASCO, have been included in ESG reporting for the first time, and therefore, comparability with the preceding ESG Report of 2021 is limited.

All data and figures were collected locally and compiled centrally for the reporting period. For the purposes of this report, the terms "company", "Montana Aerospace" and "we" refer to the entities covered in the report unless otherwise made clear by the context.

This section of the Annual Report (ESG Report) has not been audited or reviewed externally.

OUR APPROACH TO ESG

Sustainability is more than just a buzzword at Montana Aerospace: it is a core value of our corporate culture. We are aware of the emissions the manufacturing industry produces and the responsibility it bears for the global carbon footprint. This is why we feel a strong sense of duty to reduce our environmental impact and achieve a high level of sustainability.

Montana Aerospace is an expert in the key technologies needed for three markets of the future: aerospace, energy and e-mobility. We have a strong position in the aerospace sector and aim for technology and market leadership in e-mobility. We are also highly competent partners for the high energy and energy infrastructure sectors. The environment we work in and our business operations not only pose challenges and call for accountability, but also offer opportunities for sustainability.

It is important to take into account the environmental, social and governance aspects of our activities in our overall strategy to ensure sustainable business practices. After the IPO in 2021 and the major structural changes triggered by the acquisition of ASCO and Cefival, we focused primarily on gaining an overview of what ESG means for the Montana Aerospace Group as a whole.

In 2022, we intensified efforts to create a solid foundation as a starting point to improve sustainability. We conducted a critical evaluation of our first actions and steps, and identified the areas that actively contribute to our objectives. We also reorganized and enlarged our Global ESG team to make sure our efforts bear fruit, adding a centralized group for coordination tasks and local teams to help understand the requirements of each site and country.

Although we are at the beginning of our ESG journey, our technological know-how, innovations and new approaches to manufacturing play an active role in shaping the mobility of tomorrow. This is why we work with high-tech materials, and constantly strive to optimize designs, and create forward-looking manufacturing processes. Our major investments in new and modern manufacturing facilities underpin our claims.

We have created a solid foundation for going forward and are well-prepared for the next steps in 2023. Proactively addressing and embracing the challenges of our times gives us the tailwind we need to take off.

Let's embark on this journey together!

* The ESG Report refers to the period until December 31, 2022 and includes the employees and sites of AMT.



IN CONVERSATION WITH SILVIA BUCHINGER

CHIEF HUMAN RESOURCES OFFICER

... about the importance of living the ESG strategy, Montana Aerospace's goals, the Group's present status and each of the areas of responsibility and the steps that need to be taken to establish ESG lastingly at the company.

What is the first thought that comes to your mind when you hear ESG?

Considering the scope and the enormous significance of ESG, there are, of course, many things that come to mind that affect me personally and in my everyday work. Apart from the numerous environmental challenges and the fact that sustainability is now an indispensable component of our personal and professional daily lives, it goes without saying that the social pillar must also be given priority. Therefore, I am very pleased to be responsible for ESG and HR at Montana Aerospace. These two areas are also inseparable in my view.

What were pivotal moments in your career where you realized how important sustainability is going to become for companies?

It was the many personal conversations with employees and job candidates that made me aware of the company's responsibility as an employer. Considering how intensely society is already focusing on sustainability (also in private life), it would be irresponsible as an employer not to give this topic the same level of importance. Many of our colleagues work directly in production, and therefore, recognize very precisely whether and in what form we are able to meet our aspirations to operate more sustainably and identify the potential for development. The unfiltered information from our employees and the findings arrived at based on this information make it possible for us to conduct very precise site analyses of our sustainability activities at any time and moreover identify possible areas for action.

In this context, one must of course also mention one's appeal as an employer. The majority of applicants now include ESG initiatives and the activities of companies and potential new employers in their decision-making process about a new job. And in my opinion, quite rightly so. Sustainability in human resources policy has become essential and the goal is no longer only about performance, which is something we do expect, but about the behavior, values and principles that guide a company in its daily work.



**Have you or people working at Montana's divisions all over the world already been affected by climate change?**

I believe that worldwide, most people have already personally experienced the effects of climate change. The images we see daily in the news from all over the world also show very clearly in which direction things are developing. However, I also see an opportunity to steer things in the right direction, especially if we all become aware of our joint responsibility and act on it.

What are Montana Aerospace's long-term goals for sustainability?

Sustainability is part of our overall business strategy and one of our five corporate principles. We take climate protection and sustainability very seriously and these topics are always considered in our decision-making processes. This requires structured processes and methods, which we continuously work to improve. Over the long term, it is particularly important to us to align environmental and ethical standards with our business activities, to constantly evaluate and improve our processes, and increase the environmental efficiency of our products. This calls for cooperation within our Group as well as within the entire industry to work on innovative solutions to meet the challenges of tomorrow.

What role do the United Nations Sustainability Development goals (UN SDGs) play in Montana Aerospace's ESG strategy?

In my opinion, the 17 UN Sustainable Development Goals (SDGs) constitute the comprehensive framework for all relevant topics that must be addressed when defining the key objectives of any strategy. People—who are at the heart of any sustainable development—are of particular importance in this context. As all key areas of life are represented within the framework of the SDGs, it is very easy to communicate the importance of our ESG measures to all our employees within their own environments. As a globally operating company, we have identified a total of seven goals at Montana Aerospace to which we can contribute, want to contribute, and will contribute.

Where do you see improvements in ESG at Montana Aerospace in the past year?

In a company of our size there are, of course, a large number of individual measures that must be highlighted such as the continued development of our “one-stop-shop” strategy and the related continuous improvement of our carbon footprint, as well as the many activities of our HR strategy (health and safety, leadership program, mentoring, etc.).

Our practice of open communication across all levels encourages employees from the many different divisions to develop new ideas and approaches—some of which are highly innovative.

Of course, we also consider it our duty to act on the issue of compliance and have already taken some basic measures in this area (for example, we installed a Group-wide whistleblowing tool).

These building blocks constitute the first steps towards an appropriate and sustainable ESG strategy, but at the same time they are only the foundation, and therefore, just the beginning.

We know that it involves initial monetary investment to bring a company's ESG practices forward. How do you handle inertia and reluctance to progress regarding ESG within the company?

I think there has already been a change in thinking here, and ESG will continue to play an even greater, albeit different, role in investments in the future. In the past the question had been when do investments pay off, but now we will increasingly have to look at the medium to long-term cost effects caused by the lack of ESG measures. Business cases and their objectives will therefore (have to) be overhauled. ESG has now become a performance indicator, just like any other, that can no longer be considered alone.

How do diversity, equality and inclusion intersect with your sustainability strategy?

When we say “diversity, equality and inclusion”, we are not simply talking about the terms themselves, but rather about the fundamental building blocks of our daily HR work and corporate culture in practice, which subsequently also contribute to the economic success of our company. We are taking more and more measures to promote interaction and communication across divisions and countries, which over the long term helps us achieve better results through diverse teams. We have also developed a comprehensive “People Policy” as a framework for Montana Aerospace.

In what area, E, S or G, do you think Montana Aerospace is already on a good path and where do you see potential for improvement?

There are some areas in E, S and G, that we at Montana Aerospace already cover very well and, in addition, can sometimes be described as best practice. With our one-stop-shop concept, for example, we are already sending a strong signal supportive of more sustainable production.

Many measures and initiatives, such as our global talent and Buddy program (social, S) are already being implemented. Nonetheless, the topic is—and remains—work in progress. In the area of governance (G), we have already laid the groundwork with regard to the IPO process completed. But here, too, it is important to avoid stagnation and to continue developing tools and policies.

As regards environmental factors (E), we are confronted with special requirements by our stakeholders, both as a company and as part of the entire aviation industry. We are well aware of this special responsibility and know what we can actively contribute to sustainable development.

Our company, Montana Aerospace, has operations in more than 30 locations worldwide, thus bundling the know-how of international leaders in the industry. For our customers, this means being able to benefit fully from a local-to-local service concept. However, as a company, this corporate structure creates challenges for our ESG activities and will continue to do so in the future. The conditions in the different countries are very heterogeneous, not only from a regulatory point of view, and must therefore be considered on a case-by-case basis. This is prominent, for example, in data collection and subsequently in the evaluations.

Who is ultimately responsible for the success of the sustainability strategy?

We implemented a global ESG structure with the corresponding local contact persons some time ago and will continue to entrust them with additional competencies and tasks. It has been—and still is—my goal to create a centralized ESG strategy, aligned with local requirements and frameworks. Ultimately, however, I believe that all employees have a responsibility to take a look very closely at our ESG strategy. It is perfectly clear to my colleagues on the Management Board and to me that our journey has only just begun and we still have a great deal of work ahead of us. This is precisely why we have to ensure very quickly and flexibly that the right measures are feasible and are being implemented at the right time.

How is Montana Aerospace preparing for the upcoming regulatory changes?

We are a global company with employees at over 30 sites so regulatory changes are not necessarily new to us. On the contrary, we have impressively and repeatedly demonstrated in the past that we can respond very quickly and flexibly to changes in our markets. Still, I believe we are pioneers in many areas, and therefore ideally equipped for the upcoming regulatory adjustments.

What skills do people need to push ESG at their companies?

Essentially, it requires the willingness to think things through in new ways, the courage to constantly question the tried and tested, and ultimately, the ability to convince all of our colleagues of the necessity of constant further development. In addition, synergies within our Group and between the sites should be identified and exploited at all times and as best as possible.

What is your philosophy and approach to leadership as a senior executive in general, apart from ESG?

Personally, no matter what my role or position, I have always tried to stay true to my principles and convictions. I think this is the only way to remain authentic in any situation, no matter how critical or challenging. In all my years as a manager, it was probably this quality that always enabled me to work with my employees on an equal footing and in a spirit of trust.

I also believe that “leadership” is an absolute prerequisite for enabling employees to do a good job and make a significant contribution to the success of the company. Trust and proactive communication are the foundation needed for successful leadership.

OUR STRATEGIC FOCUS

Our strategy addresses our three business segments: Aerostructures, E-Mobility and Energy. We defined a nine-point plan to address the following key topics of the three pillars: environment, social and governance.

ENVIRONMENT

- ENERGY AND CO₂ EMISSIONS
- WATER
- WASTE & RECYCLING



SOCIAL

- HEALTH AND SAFETY
- DIVERSITY, EQUALITY AND INCLUSION
- COMMUNITY ENGAGEMENT



GOVERNANCE

- STATUTORY COMPLIANCE
- VALUES AND ETHICS
- SUPPLY CHAIN



Environment

We are making every effort to reduce our direct and indirect carbon emissions. We regularly evaluate our processes to see how we can reduce resource consumption and switch to more sustainable alternatives wherever possible. Our vertically integrated supply chain permits us to reduce long transport routes and emissions. We are currently evaluating our solar panel installations to increase the share of renewable energy at our production sites.

Our goal is to raise awareness of the issue of water consumption by increasing efficiency and using recycled water. Our sites have implemented state-of-the-art wastewater treatment systems that recycle and re-use water sources efficiently and safely.

We are mindful of the waste we produce. Almost 100% of our cuttings, clippings and scrap is recycled internally at our plants. The high-tech aluminum components used in our components are produced with around 70% recycled aluminum.

Social Responsibility

Montana Aerospace has a safety-first culture with the goal of zero workplace incidents. We offer our employees at all sites regular safety training courses and impose strict instructions accompanied by rigorous monitoring and tracking and also support improvement. To promote the personal and professional growth of our employees, we offer career and development programs.

We do not tolerate any kind of discrimination or harassment. Diversity, equality and inclusion are the core principles of our daily business. We strive to make our Montana Aerospace family a respectful, safe and appealing workplace.

We engage with our communities to gain insights into the opinions of diverse groups and to create inclusive and effective solutions.

Governance

We are committed to our ideals and work hard to advance them. Our transparency measures are important to prevent corruption and bribery. The morally, ethically and legally sound behavior of our employees is a critical and a core principle of our corporate culture.

Montana Aerospace is committed to acting responsibly and takes social and environmental considerations into account. We select our suppliers based not only on quality and costs, but also on their due diligence practices, their respect for human rights and their environmental mindset.

COMMITMENT TO THE UN SUSTAINABLE DEVELOPMENT GOALS

We are committed to the Sustainable Development Goals of the United Nations (SDGs) which are fundamental to our business model. Our management and global ESG team have identified the following areas in which we can contribute and play an active role.

However, the other SDGs are, of course, also part of our company's philosophy. This chapter presents our contributions to the SDGs. The goals we evaluate remained largely the same compared to the preceding reporting period, except for the newly introduced SDG No 8, Decent Work and Economic Growth.



QUALITY EDUCATION

Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all.

- 4.4 Eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable
- 4.5 Increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 4.7 Ensure that all learners acquire the knowledge and skills needed to promote sustainable development

Developing our skilled workforce is the foundation of our success. We strive to provide the best environment for our employees to grow, advance and continuously learn. This includes regular training and education, mentoring and guidance for our employees all over the world. Our development programs also create opportunities for students and young professionals that permits them to engage with Montana Aerospace and take active and leading roles in our company. To promote scientific culture, we engage with schools, universities and other educational institutions to provide young people with the opportunity to participate in workshops and courses to gain practical insights.

 **27 mentor-mentee matches** participated in our **Mentoring program** from July to December 2022 to upgrade and improve their hard and soft skills.



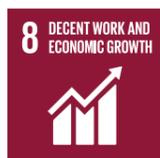
GENDER EQUALITY

Achieving gender equality and empowering women and girls.

- 5.1 End gender-based discrimination
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership
- 5.9 Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels

Montana Aerospace stands for diversity, inclusion and equality. We promote gender equality by offering appealing career opportunities through our employment and workplace policies. We strongly support women's empowerment and improve the gender balance in STEM-related positions and leadership positions. At Montana Aerospace, there is a zero-tolerance policy for any kind of gender-based discrimination.

 The share of women in our total workforce is **~20%**.



DECENT WORK AND ECONOMIC GROWTH

Promoting sustained, inclusive and steady economic growth, full and productive employment and decent work for all employees.

- 8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation
- 8.5 Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value
- 8.8 Protect workers' rights and promote safe and secure working environments for all workers

As an international group, we foster an environment that ensures decent working conditions, while improving our business model and fostering economic growth. Our business model is scalable, sustainable and solid. We do our best to drive our economic productivity through diversification, technological improvements and innovation. To ensure the best working conditions, Montana Aerospace commits itself to the highest internationally-recognized standards and regulations. Moreover, we aim to provide a safe, flexible, and respectful working environment where all our employees can work in a setting free from any form of harassment or discrimination.

 We have a zero-tolerance statement for any kind of child or forced labor.



INDUSTRY, INNOVATION AND INFRASTRUCTURE

Building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation.

- 9.1 Develop quality, reliable, sustainable and resilient infrastructure
- 9.2 Promote inclusive and sustainable industrialization
- 9.4 Upgrade and retrofit existing infrastructure to make industries sustainable
- 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries

Montana Aerospace invests globally not only to achieve growth but also to improve sustainability and the efficient use of resources in all our processes. We foster scientific activities for innovation and technological progress. As a global player in the sectors of aerospace, mobility and energy, we supply a huge amount of technology and skills to support the construction and operation of these assets. We engage in research, development and innovative business models that are capable of meeting the world's long-term infrastructure challenges.

 As an aerospace supplier, we help airlines retrofit their fleets to make them more efficient and sustainable.



REDUCING INEQUALITY

Ensuring a working environment free of harassment, discrimination and unjust behavior.

- 10.2 Empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
- 10.3 Ensure equality opportunity and reduce inequalities of outcome

As a global company, we know that our diverse workforce is a major asset. We ensure a workplace where everyone is treated equally, irrespective of race, ethnicity, gender, sexual orientation or religion.

 Our newly published **People Policy** prohibits any form of harassment, discrimination or indecent working conditions and lays down our principles and values.



RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensuring sustainability in consumption and production patterns.

- 12.2 Achieve the sustainable management and efficient use of natural resources by 2030
- 12.5 Substantially reduce waste through prevention, reduction, recycling and reuse by 2030

Our efforts in recycling and the reuse of materials enable Montana Aerospace to advance the circular economy. We reduce waste by adopting sustainable and responsible practices. Our products are designed to facilitate lightweight components for aircraft that help reduce the amount of fuel combustion. Our manufacturing methods are state-of-the-art with respect to energy efficiency. The vertical integration of products and processes reduces the logistics requirements for customers and the environment.

 Nearly 100% of the scrap and clippings of our products are **recycled** internally at Montana Aerospace.



CLIMATE ACTION

Taking urgent action to combat climate change and its impacts.

- 13.3 Improve education, raise awareness, and increase the human and institutional capacity for climate change mitigation, adaptation, impact reduction and early warning

The industries we operate in must tackle the significant challenge of reducing their impact on the climate, but there are also opportunities. We contribute directly and indirectly by defining targets to mitigate our greenhouse gas emissions and to reduce our energy, water and waste consumption.

 Our vertical value chain builds **resilience across multiple tiers of the supply chain** and the communities related to them.



“SKIES OF TOMORROW” DOCUMENTARY

As a leading provider of advanced aerostructures solutions, we recognize the importance of environmental, social, and governance (ESG) issues in the aviation industry, and are committed to contributing to a more sustainable future.

Therefore, we are proud to have been given a chance to be part of the recent “Skies of Tomorrow” documentary series produced by the UK-based Zinc Media Group. The series features insightful stories from the world’s aviation sector, highlighting how the industry is focused on sustainable practices, modernization, and growth. The project, produced in partnership with the Air Transport Action Group (ATAG), a not-for-profit association representing all sectors of the commercial aviation industry, explored what is driving change in the innovative and fast-moving aviation industry.

Being part of the “Skies of Tomorrow” documentary, which was produced in December 2022 at two of our Universal Alloy Corporation sites in Romania, was a great opportunity for us to showcase our commitment to sustainability and share our experiences and knowledge with a wider audience. We believe that by working together, we can make a positive impact on the world and help create a more sustainable future for generations to come.

Our company has always been at the forefront of innovation and sustainability, and we are constantly striving to reduce our impact on the environment. With our state-of-the-art manufacturing processes and our one-stop-shop concept, we are committed to reducing waste and emissions, and to promoting responsible business practices.



Scan this code to go directly to the video about Montana Aerospace.



ENVIRONMENT

Building a stronger tomorrow

The manufacturing industry is the second largest source of emissions after the energy industry. This means there is also a great deal of potential here for mitigating climate change long term by using advanced technology and smart concepts. Smokestacks and soot-producing factory chimneys have become very rare thanks to modern plant technology. But there is still a long way to go for everyone involved and that is why it is important to tackle the challenges of the future and take responsibility for our daily business.

As a manufacturing company, it is clear to us that not only do we have an impact on climate change, but that climate change also affects us, our clients and, of course, our production facilities. We are not immune to the unforeseeable effects of climate change. This may result in higher costs for all of us, which is why it is important to be proactive against climate change instead of just reacting to problems.

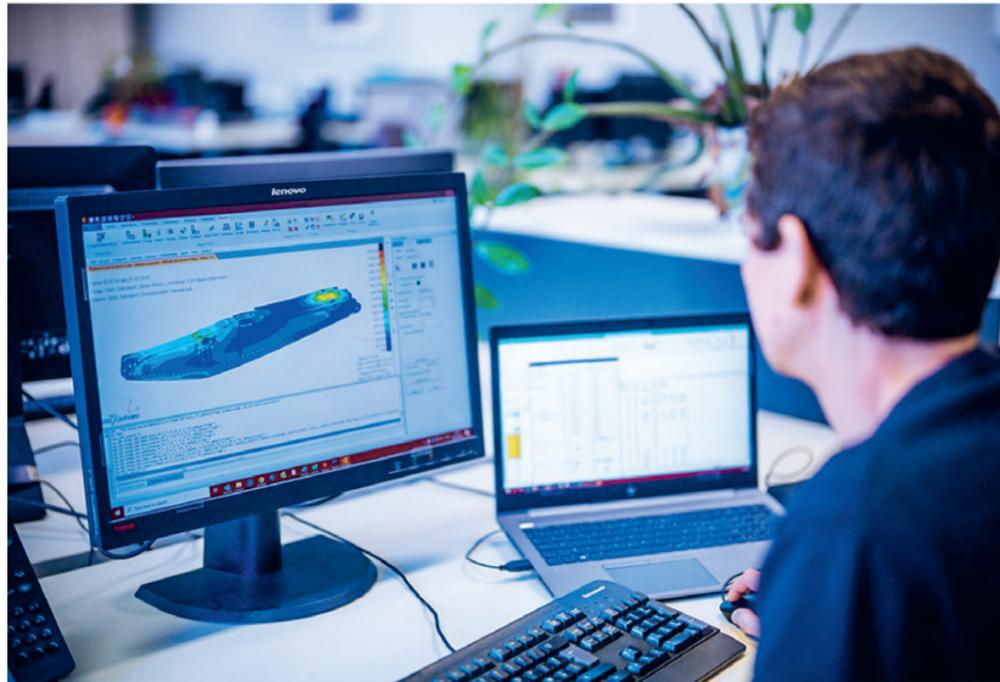
We want to contribute to a sustainable mobility system that is responsive to the requirements of our planet and to climate change. A joint effort is needed to enable this transition and to develop technological innovations and new approaches to mobility.

Our many years of experience in the development and production of multi-material competence enables us to contribute to the transition of our mobility systems. We are one of the world's leading manufacturers of complex lightweight components, which are crucial for reducing weight, and thereby, emissions in the aerospace, automotive and e-mobility sectors. In the energy sector, Montana Aerospace sets the standard for the entire energy industry by supplying a new generation of components for generators, transformers and electric motors. We are not only working on improving our products, but above all on making our production processes more sustainable. To this end we are constantly improving our recycling skills, investing in state-of-the-art production systems and processes, and turning all the screws that enable us to reduce our energy consumption.

Our integrated supply chain and full-service provider integration enable us to reduce emissions due to shorter transportation routes and in-house production steps. Together with our high level of innovation and strong commitment to sustainability, we are paving the way for the future success of our Group.

We take climate change very seriously and work sustainably, following our visions and values. Lasting success in our opinion only comes from responsible and sustainable business practices.

HIGHLIGHTS OF OUR ENVIRONMENTAL ACTIVITIES IN 2022



Improving our product portfolio

For us at Montana Aerospace, sustainability starts in the production design stage. The intelligent use of available resources permits us to reduce our impact on the environment to a minimum. We have invested in state-of-the-art production plants, and with our one-stop-shop concept we can cut back not only on raw materials and resources, but also reduce green gas emissions. We support the transition in both sectors with innovative solutions by supplying lightweight products for the aerospace and mobility sectors. Thanks to long-lasting materials, our components are durable and flexible. Lightweight products reduce the energy consumption of aircraft and cars. We aim to make our products more efficient and durable by using recycled materials.



Increasing our share of renewables

Several of our facilities currently rely entirely on ecological and renewable energy sources, and we plan to increase the proportion of renewable energy used across the Group by installing solar panels at multiple sites. In this effort, we are not only considering unused roof spaces, but also all available open areas. Our team is constantly assessing opportunities to expand the usage of renewable energy sources.

Identifying priority issues

After the first IPO in 2021 and major structural changes in 2022, we shifted our focus to our carbon footprint. We conducted a first analysis of our company's emissions and product portfolio. We identified the areas in which we are able to contribute significantly to the reduction of emissions and critically evaluated our initial actions and steps. Therefore, we were well-prepared for a fresh start in 2023.



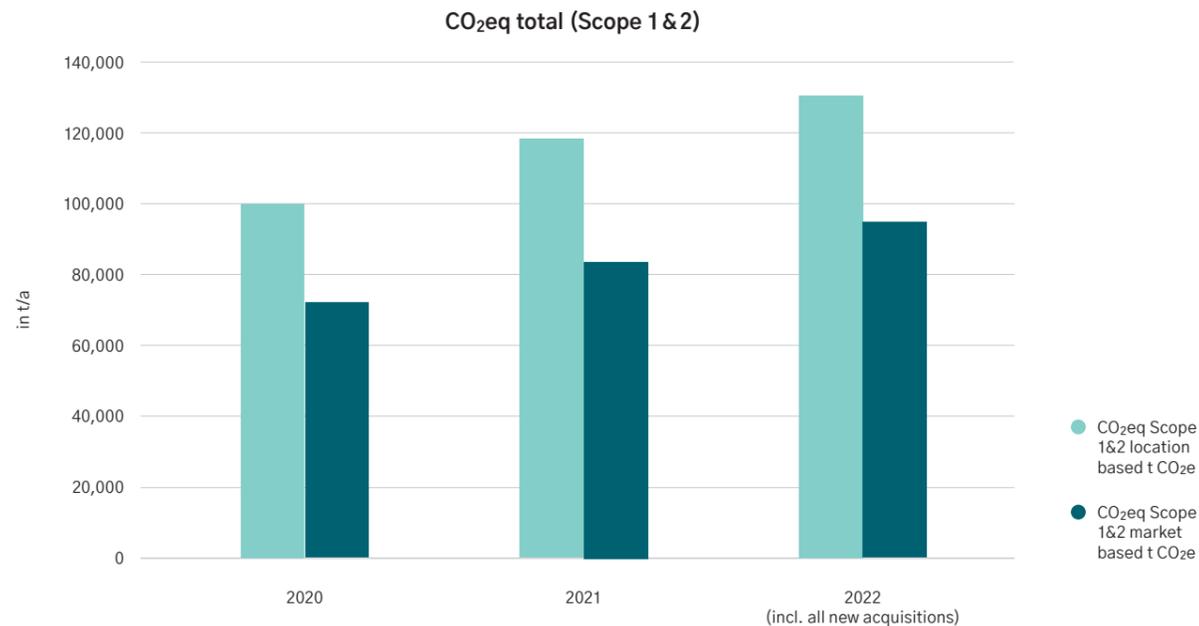
New global ESG team

A new global team was established to manage our environmental footprint from Brazil to Vietnam. While coordination is monitored centrally, the members of our global ESG team understand the needs and particularities of our different sites. This allows us to get the best overview of the requirements at the local as well as the global level.

CO₂ EMISSIONS

Our Scope 1 emissions represent direct emissions from sources that we own or control. These emissions account for ~21% (location based) or ~29% (market based) of total GHG emissions (sum of Scope 1 and 2). Our Scope 2 emissions represent indirect emissions from the generation of electricity as well as heating and cooling energy. This percentage accounts for ~79% (location based) or ~71% (market based) of total GHG emissions from Scope 1 and 2.

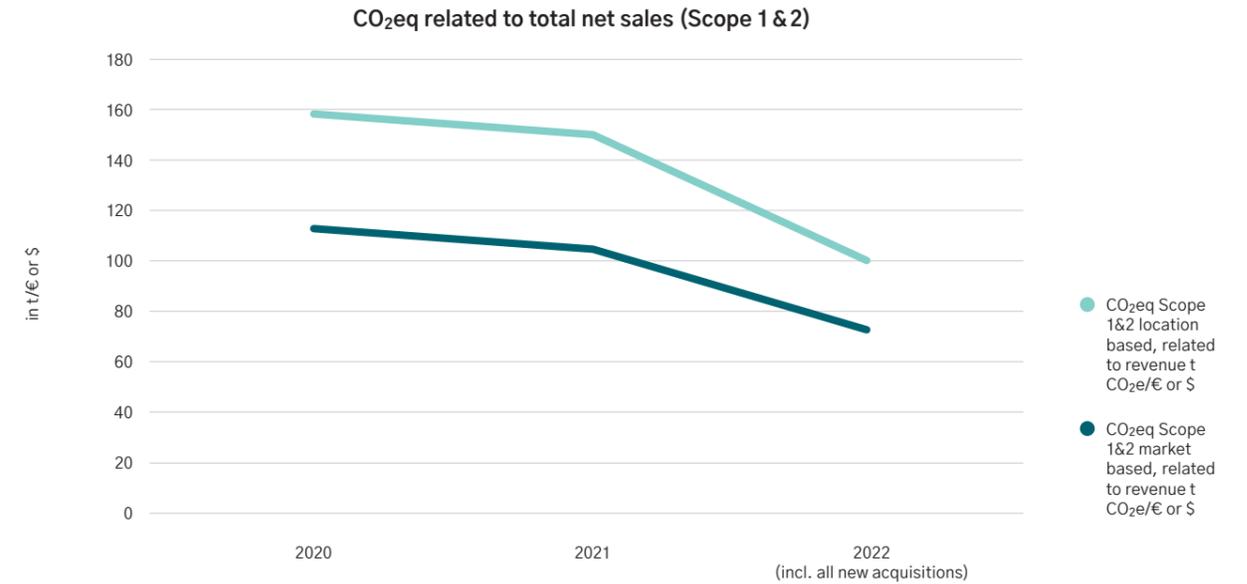
Total scope 1 and scope 2 emissions were 130,579 tCO₂e (location based) or 94.921 tCO₂eq (market based) in 2022, which is an increase of ~10% (location based) or ~13% (market based) compared to 2021. The baseline figure for 2021 was 118,877 tCO₂e (location based) or 83.664 tCO₂e (market based) and increased mainly due to the inclusion of the acquired production sites in our ESG reporting scope in the period from 2022 as well as significantly higher production rates and a massive ramp-up. This has also resulted in a decrease by more than 35% of CO₂ in relation to total net sales since 2020.



Scope 1 and 2 emissions of the Montana Aerospace Group

[A] Scope 1 and 2 emissions are calculated based on the Greenhouse Gas Protocol (GHG).

According to the GHG Protocol a location-based method reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice).



RAMP-UP

Use of augmented reality tools cut carbon emissions and reduce travel

In the manufacturing and machining field, a great deal of travel is done to install and maintain equipment. With the use of augmented reality (AR) tools, some of these tasks can be accomplished by our technicians at the office and the tools can also be used to help the local support team.

The AR tools allow remote experts to intervene in real time, carrying out maintenance procedures or resolving technical failures. Field technicians, equipped with AR glasses or mobile devices, can communicate in real time with remote experts sitting at their desks through video conferencing. The remote expert can diagnose the problem and provide accurate solutions, making the repair process faster and more efficient.

This method has increased the efficiency of maintenance work, while reducing emissions and saving time.

The augmented reality tools are also used for training our technicians.



ENERGY

At Montana Aerospace, the responsible use of energy is very important to us and we are strongly committed to reducing our impact on the environment. We regularly assess and report on energy consumption to track our progress towards sustainability goals.

In line with our commitment to the use of sustainable energy, we are actively exploring renewable energy sources. We believe that the transition to renewable energy sources is not only a crucial step towards a more sustainable future but also a business opportunity.

Switching to green energy creates independence

Montana Aerospace pursues two very important goals by installing photovoltaic systems at its sites. First, the reduction of CO₂ emissions in production processes. Second, to become more independent from external energy suppliers and volatile market prices over the long term. With steadily rising electricity prices and simultaneously decreasing prices for photovoltaic systems, Montana Aerospace benefits from a higher solar return on investment.



Green Energy Project Da Nang, Vietnam

Our division Universal Alloy Corporation Vietnam (UACV), located in the coastal city of Da Nang, Vietnam has partnered with Asia Clean Capital Vietnam (ACC Vietnam), a leading developer of clean energy solutions, a move that contributes to a greener and more sustainable future.

In December 2022, UACV signed a fifteen-year power purchase agreement with ACC Vietnam, which will provide the company with a turnkey clean energy solution powered by a 4.3 MWp rooftop solar PV system. This system has been designed and built to the highest safety standards, making it capable of handling the heavy storms and typhoons common in the region.

With more than 7,000 modules installed, the new solar PV system will generate nearly 6,000 MWh of electricity and help UACV reduce its carbon footprint by avoiding emissions of more than 4,800 tons of CO₂ every year. This is a significant milestone for UACV as it will help it to offset 27% of current annual power demand.

In addition to the rooftop solar PV system, ACC Vietnam provides a complete solution that addresses the growing demand for measurable, recordable, and verifiable data (MRV data). The company will have access to ACC Vietnam's dedicated blockchain platform powered by Allinfra, which collects verifiable carbon data directly at the source for reporting. This means transparent ESG reporting for UAC Vietnam and dRECs (digital Renewable Energy Certificates) that are traceable to the underlying data at the production meter.

The installation of UACV's new solar PV system is expected to be completed by April 2023, with the power being switched on as soon as each production hall is covered with panels.

We consider this to be a great step forward towards our net-zero goal, while also reaping the many benefits of solar power such as reduced energy costs and a positive impact on the environment.

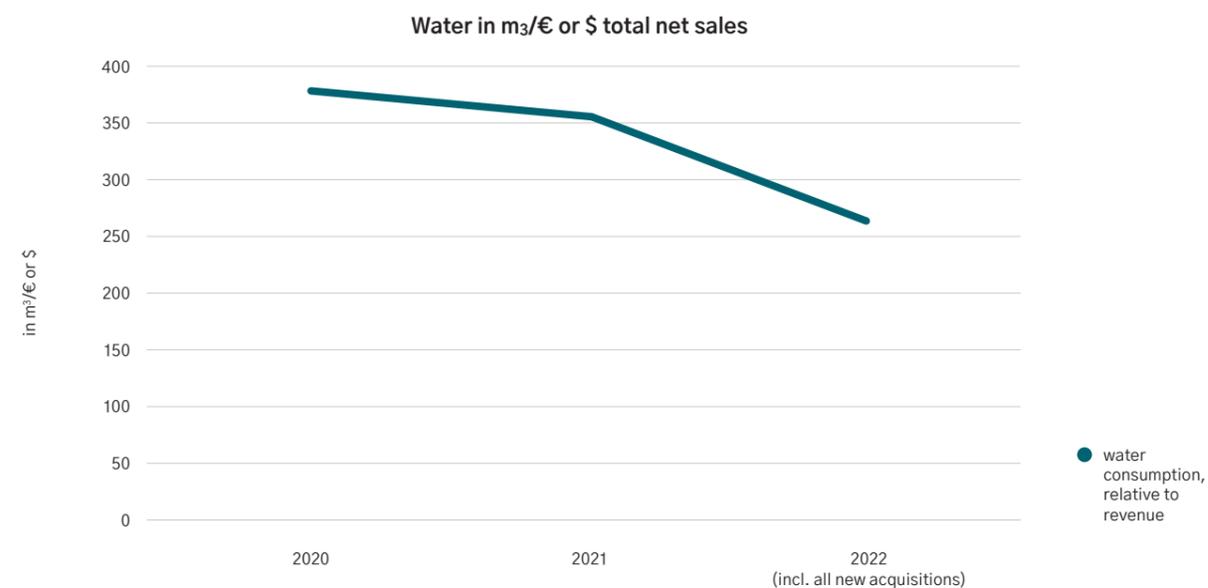
RAMP-UP



WATER MANAGEMENT

At Montana Aerospace, our goal is to reduce the total amount of water consumed and to lower operating costs at our operations to mitigate our environmental impact. The responsible use of water is important to us and we are committed to involving local stakeholders in consumption planning whenever the need arises.

Our total water consumption related to total net sales has decreased by 30% since 2020. A large proportion of our water consumption is related to our production processes. That is why we recognize the importance of properly treating our wastewater and have implemented systems for treating and discharging wastewater in compliance with all relevant regulations.



Our most recent investment in Romania was the installation of next generation wastewater treatment equipment, which is an example of how Montana Aerospace promotes social and environmental responsibility throughout the Group.

WASTE MANAGEMENT

We are continuously optimizing our processes to minimize waste and to reduce and recycle our materials within the production processes. Our innovative manufacturing capabilities permit us to reduce the initial waste of materials from the very beginning.

We strive to reduce the amount of waste produced at all our operations and to improve our existing recycling programs. The remaining waste is separated and processed at our local waste management systems.

Recycling: part of the solution and our core competence

In addition to streamlining our logistics chains through vertical integration, we also sort and recycle our raw materials. We use approximately 70% of recycled aluminum to produce our components and composites. Recycling aluminum is very important for keeping the proportion of aluminum produced with primary raw materials as low as possible.

We are equipped to recycle our metal returns, and in some cases, also external scrap. These are fed back into our production processes as extrusion bolts. Almost 100% of our cuttings, clippings and scrap is recycled internally at one of our three state-of-the-art casting plants.

The use of recycled aluminum saves up to **95% of the energy** that would be required for the production from raw materials. Not only is energy consumption reduced, but natural resources are conserved, thereby also reducing the need for new mining operations.

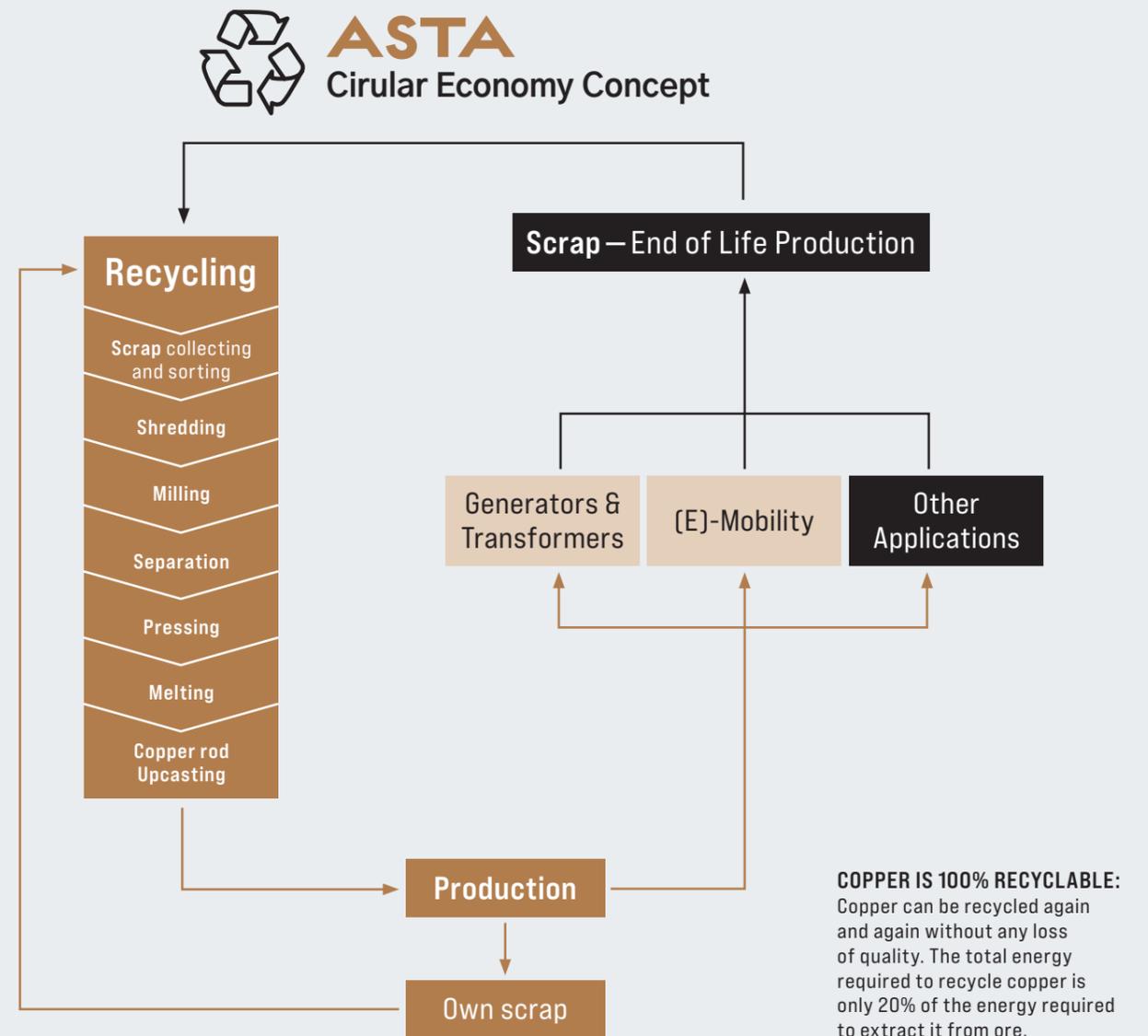
Our recycling method also has a positive effect on our procurement strategy: it makes us less dependent on external suppliers. Our experience and know-how in the production of customer-specific alloys and of different materials for the extrusion process translates into greater business potential for recycling as a viable option for our Group. Locating our aluminum foundries next to the pressing plants underpins our sustainability efforts and eliminates additional transport routes.



Since the acquisition of São Marco in 2022, we were able to expand our recycling capabilities to encompass not only aluminum but also copper. This latest technology has several advantages: energy savings, resource conservation, reduced environmental impact, and a larger supply of copper. It also makes us one of the few manufacturers of copper components that have the capability to recycle their raw materials.

First steps in copper recycling

As a copper expert with more than 200 years of experience, Montana Aerospace plans to expand its recycling capabilities to include copper. Implementation will take place in several steps. Step one provides for the recycling of our own copper scrap from production. This new process step will be launched in 2024 as a pilot project within the Group and will permit the Energy segment to increase added value by deepening vertical integration. In 2023, the recycling plant will be installed and trial operation will begin. In the next step, the know-how will be introduced at the local sites. Over the long term, the recycling operations will be enlarged to include external scrap and create a circular economy with customers and partners. Negotiations are already underway.





BALANCING SUSTAINABILITY AND PERFORMANCE: LIGHTWEIGHT DESIGN

Montana Aerospace specializes in lightweight design and eco-design when producing aluminum and titanium parts as well as composite parts for certain industries. By prioritizing sustainability and efficiency in our production processes, we are able to deliver high-quality products that meet the needs of our customers while minimizing the impact on the environment. With a focus on innovation and excellence, Montana Aerospace is setting the standard for sustainable manufacturing practices in the aerospace industry and beyond.





IN CONVERSATION WITH JOHN DANIELS CHIEF TECHNICAL OFFICER

... about sustainable product design, the benefits of reducing weight in aircraft structure, and Montana Aerospace's contribution to Airbus' "Wing of Tomorrow" project and the future role in the circular economy.

John, Montana Aerospace specializes in lightweight design and in the processing of light metals such as aluminum and titanium. What are the benefits of lightweight design for the aerospace industry? Who ultimately benefits?

There are two significant elements that need to be considered when discussing aircraft weight. First, the physics of flying and the maximum weight that can be lifted by the aerodynamic effect of the wings. In simple terms this means that the heavier the aircraft structure, the smaller the capacity available for passengers and cargo. A lighter airframe means that more useful weight can be carried by the aircraft. Second, the fuel consumption needed to keep heavier aircraft in the air. Again, a lighter aircraft will consume less fuel than a heavier aircraft for the same payload. With less fuel burn and more passengers and freight moved per flight, the beneficiaries are the passengers who buy tickets, businesses that move freight and the environment, which ultimately benefits everyone.

Montana Aerospace and its Aerostructure Divisions ASCO and UAC are known for their exceptional materials know-how and engineering expertise. In 2020, Airbus launched the "Wing of Tomorrow" project and invited ASCO and UAC to participate. What is behind the "Wing of Tomorrow" project and what are the expectations in it?

The "Wing of Tomorrow" project was started by Airbus to ensure technology, capability and production readiness for the launch of the next aircraft program.

Key expectations:

- Wing structure that delivers an improved configuration (sufficient strength and stiffness, lighter, reduced maintenance, etc.).
- Technology that is qualified and ready for use in production and is cost effective (i.e. not more than current best practices).
- A new aircraft program brought to market as quickly as possible from launch (less than 5 years).
- Production that achieves the desired build rate, and gets there as quickly as possible.



In what way is Montana Aerospace involved in this project, or what components are being produced for the project?

Montana Aerospace supports this major project in two key areas:

First, the application of technical and product expertise to design improved leading edge high-lift devices using composite materials and advanced structural analysis. Moreover, the design team has developed a mechanism that allows slat deployment without the traditional use of tracks that require the spar to have cut outs.

Second, by introducing extrusion expertise into the design, analysis and manufacturing process for wing ribs and rib posts. This enables a much improved material buy-to-fly ratio and capitalizes on the material characteristics for fatigue and damage tolerance requirements.

The Flightpath 2050 Strategy contains an agreement between the EU Commission and the aerospace industry to strengthen the competitiveness of the European aviation sector with ambitious emissions reduction targets. CO₂ emissions are to be reduced by 75% by 2050. The EU has also defined guidelines with respect to eco-design. What is behind the concept of eco-design and what goals does it pursue?

Traditionally, environmental performance and the impact of an aircraft are measured in the final stages of its life cycle, i.e. once it is in operation. Unfortunately, by this stage the key elements of the configuration are locked in and it is difficult to modify the design to make improvements.

The eco-design philosophy aims to ensure that all aspects of the life cycle are considered in all stages including the operation, the concept and the detailed design; manufacturing, operation and in the end, the disposal of the aircraft. This approach ensures that consideration is given to each aspect of the process and a balanced view is taken to achieve the best use of the Earth's resources while minimizing the overall environmental impact.

Give us examples of how Montana Aerospace puts eco-design into practice.

There are several ways this can be turned into practical opportunities.

Aluminum alloys are highly recyclable and this allows off-cuts and machine chips from the manufacturing process to be re-used relatively easily. Additionally, the aircraft components at the end of their service life can be converted back into usable raw materials.

The energy used to process parts to their final configuration, either by forming or machining, can be reduced significantly if the initial material billet is closer to the final product size. Moreover, the energy cost of transporting materials is directly related to weight, therefore, the lighter the raw materials, the less fuel needed to ship between locations. These two factors are supported by the use of extrusions that permit the production of nearer netshapes.

A look into the future. In some sectors, such as the automotive, furniture or construction industries, people are already working successfully on circular economy concepts, and the topics of recycling, remanufacturing and, above all, reclaiming old products are becoming increasingly important in these sectors. What could the circular economy look like in the aviation industry?

The circular economy is an emerging concept for the aviation sector. The sector is categorized into aircraft, flights and airfields where there are numerous opportunities such as the reuse and recycling of end-of-life materials found in aircraft, the reduction and recycling of in-flight and ground infrastructure waste (food, packaging, municipal solid waste, construction and demolition debris), as well as the reduction of energy, water and raw materials consumption.

We would like to point out that the aviation industry is dominated by safety considerations and the continuous drive to ensure the public is not exposed to unacceptable risks. The safety aspect presents additional challenges when issues such as the reclaiming of old products and recycling are considered. Every generation of aircraft and products aims to be safer than the previous one and airworthiness regulations reflect this aspiration. This means that products previously considered acceptable will no longer be viewed as adequate for future aircraft. This may limit the opportunities for the repurposing of products, but does not mean that a new design should not consider future applications. Assemblies and materials need to take the requirements of end-of-life management into consideration, for example, recycling.

What role could Montana Aerospace play here in the future? What contribution could it make?

As a developer and manufacturer of aircraft components, we believe it is our responsibility to always think ahead with respect to design and production. With our recycling competence, our worldwide one-stop stores and our approach of near netshape manufacturing, I would argue that we are definitely perceived as a benchmark in the industry also in terms of a circular economy. However, it is also clear that there is still room for improvement in the entire aviation industry, and we are, as always, ready to embark on this endeavor together with our partners and customers.



SOCIAL RESPONSIBILITY

Our more than 7,200 employees around the globe united under Montana Aerospace make us the company we are today, because they are the key to our success in the past and to a promising future. For us, our employees are our most valuable asset, therefore, our goal is to promote the safety, development, diversity and well-being of our employees.

Our corporate culture, which is based on diversity, respect and inclusion, is living practice at our company and also applies to the companies that recently joined the Montana Aerospace Group. We always work to provide our employees with a healthy and, above all, safe working environment. We achieve this by training our employees and implementing extensive safety precautions, because even just one occupational accident is one too many.

Likewise, we encourage diversity and a diverse mix of perspectives and experiences. At the same time, we require all employees to treat each other respectfully and offer assistance in cases in which employees are not treated as they should be. We offer employees various training and further education options, which we are constantly enlarging and improving, thus giving employees an opportunity for further development. Because as a company, we can only grow if our employees can also grow.



~7,200

Total employees



~1,600

New employee hires



~12%

Employee turnover rate



~82 %**

of employees covered by collective bargaining agreements /trade unions

* The ESG Report refers to the period until December 31, 2022 and includes the employees and sites of AMT.

** Due to legal requirements in certain countries, we are not able to determine whether employees are unionized.

HIGHLIGHTS OF OUR SOCIAL ACTIVITIES IN 2022



Employee Engagement Survey

You can only improve if you are able to clearly assess your current status. To this end we conducted an employee engagement survey at all Montana Aerospace sites in June 2022 in which around 40% of employees participated. The survey, which turned out to be quite positive in all areas, consisted of the following six questions and could be completed using a 4-point Likert scale (from strongly agree to strongly disagree):

- I know what is expected of me at work.
- I feel valued by the company.
- The mission/purpose of my company makes me feel my job is important.
- I would recommend my company as a great place to work.
- In the last year, I have had opportunities at work to learn and grow.
- Over the last year, I have been able to handle my workload.

The results of the survey show that we are on the right track, but also give us an incentive to develop further opportunities for our employees to grow professionally as well as personally. In addition, the low participation rate revealed that we have room for improvement in the area of internal communication.

Achieving equality and fairness

In 2022, we implemented a Group-wide job levelling system to increase clarity and transparency. This structure ensures that every position/job is placed at the appropriate level according to defined criteria like size of the role, impact, complexity. With this a clear and consistent framework for all position (regardless of position holder) is set up. The new structure will be used for performance management, alignment of compensation & benefits and career development processes and will help Montana Aerospace to attract and retain the best talent while fostering a positive work environment and promoting employee satisfaction. In combination with our yearly appraisal system incl. goal-setting and bidirectional feedback, we are creating a transparent and equitable system, driving the company forward in pursuit of success.



Silvia Buchinger talking to the participants of the Montana Aerospace Talent Program.

Development and rollout of employee programs

Encouraged by the outcome of the employee engagement survey, we continued to work on our global employee development programs, jointly known as “Grow at Montana Aerospace” of which individual programs already existed at some sites.

New employees are supported by the Buddy Program, and all employees have opportunities for professional and personal development, including the mentorship program, Talent Program, First Time Management Program, and Sales Academy. These programs aim to provide employees with skills and support in their roles at Montana Aerospace.

Find out more about the individual programs on pages 71–72.



IN CONVERSATION WITH LORI THOMPSON

VICE PRESIDENT OF HUMAN RESOURCES AT UAC US

... about our corporate culture, the benefits of being an international employer, and employee development opportunities at Montana Aerospace.

Lori Thomson holds the position of Vice President of Human Resources at Universal Alloy Corporation in Georgia, US. With over three years of experience in this position, Lori brings a wealth of knowledge and expertise to the HR department. In our talk, we discussed Lori's background in HR, the challenges faced by Montana Aerospace in the field of HR management, and the opportunities for employee development and training within the company.

Lori, thank you for participating in this interview.

First things first: What contributed to your decision to work in HR?

Overall, it was my desire to make a meaningful impact in other people's lives, and HR provides an excellent opportunity to improve the employee experience in a variety of ways that helps to shape the culture of a company.

As a relatively new organization, Montana Aerospace brings together a diverse range of divisions, some with rich histories spanning over 200 years. Recently, the company has welcomed UAC Cefival from France, ASCO from Belgium, and São Marco from Brazil. However, one of the biggest challenges faced by Montana Aerospace is to effectively unite the unique cultures and traditions of these various companies into a cohesive, unified whole.

How do you define company culture? What do you do to help maintain it as the company grows?

Company culture is the reality of the employee experience. It includes both the formal aspects such as company values, policies, etc., as well as the unwritten expectations within an organization which are critically important to determine if these unwritten expectations are in line with the culture an organization is striving to achieve and maintain. Communication is key for maintaining a company culture as the company grows. Transparent and regular communication between leaders and team members to stay abreast of the reality of their employee experience will help to measure how well the corporate culture aspired to is being maintained. Utilizing tools that help create company cohesiveness like the recent Corporate Identity rollout



where each of the Montana Aerospace companies is now consistently branded with the Montana Aerospace pin; also ensuring all team members have access to the Group-wide newsletter Satellite to stay informed and learn about interesting information on all Group companies around the globe. Both tools are helpful for maintaining company culture and introducing it to our new team members.

In the field of HR management, Montana Aerospace is facing a difficult task. On the one hand, the company has been growing robustly for years, and production has been expanding continuously. On the other hand, nearly all industries face the problem that well-skilled personnel is difficult to find and retain on a global level due to multiple crises.

How do you ensure that you are hiring and retaining top employees?

We start by utilizing several resources to ensure our job postings reach potential candidates through social media, local advertising, and employee referrals, which have been very successful. Once an individual is in our hiring process, they enter a swift and efficient process, and take part in an assessment process and interviews with HR and the hiring manager. The assessments and interviews are tailored to the specific job. We also introduce candidates to our benefit programs and give them a tour of their potential workplace to give them as much information as possible to help them decide if our opportunity is a good fit for the career they are seeking.

Which role does the fact play that Montana Aerospace is an international company with locations worldwide?

As mobility opportunities for talents continue to increase, we offer employees the opportunity to gain work and life experience in another country.

What advantage does an employee gain from the international nature of the company?

Employees can gain a sense of job stability based on the fact that the company is diversified across multiple segments around the world.

In a corporation the size of Montana Aerospace, it's essential to get new employees on board quickly and effectively. How do you do that?

Our expeditious hiring process that was developed by HR and Operations analyses each step of the process to ensure there are no lags and that every step of the process adds value and also meets all compliance requirements. For process sustainability, we created a one-page workflow and communicated it to hiring managers as a reference guide for existing and new supervisors. Once hired, employees go through an Onboarding Program with regular touch points and milestones. Some sites already have the new Buddy Program in place in which new team members are introduced to their Buddy on their first day. A Buddy is a seasoned employee who helps new team members smoothly acclimate to their new role, team, and company.

In a few sentences, what possibilities for development does Montana Aerospace offer employees?

We have been very pleased to have launched several programs in the past year that offer team members an opportunity for development in a variety of areas. We are currently working on more programs that will be launched in 2024. Depending on interest and development needs, team members, with the support of their manager, can create an individualized development path that may include offerings such as the mentorship program, project management, sales academy and the talent program. We look forward to expanding development possibilities for all team members to grow with Montana Aerospace and "Grow at Montana Aerospace".

To whom would you recommend being part of the mentorship program? Both mentors and mentees.

Our mentorship program is open to all Montana Aerospace employees and I would encourage all team members to consider participating. It is a 6-month professional development program with meaningful monthly topics such as personal brand, self-awareness, building credibility, value of interpersonal skills, exploring conflict, taking initiative, and the power of attitude. Mentees record their development goals and progress in an Individual Development Plan (IDP) throughout the entire program. Team members that would like to develop in these areas

may apply to be a mentee as next step, and team members that believe they can help other persons develop, may apply to be a mentor. We received such excellent responses and feedback after the first cohort completed the program in December 2022 that we saw participation increase significantly for 2023.

After overseeing several Group-wide development programs, which benefits did you recognize and what are the key takeaways for employees?

It has been encouraging to see team members aspiring to further their professional development by participating in our Group-wide development programs. Each of the programs has been carefully reviewed to ensure that the topic is relevant to team members in our organization based on many factors. The high levels of participation in the programs prove that we are focusing on the right topics which our team members are interested in. In addition to the formal development that team members gain by participating in these programs, there is organic development that innately occurs through our inclusive Group-wide programs with team members from all operating companies of Montana Aerospace. It is great to give team members the opportunity to expand their network to include persons that work at partner companies and thereby make the "One Montana Aerospace" experience possible.

How do you motivate employees to become part of talent programs to foster development?

When launching new programs, the key is concise and clear communication. Communications that quickly articulate the WIIFM ("What's in it for me?" from the team member's perspective) with a high-level summary of the program are more effective for motivating team members to participate. For existing programs, positive testimonials are a fantastic way to encourage participation. And as long as the programs yield added value, communication by word of mouth among colleagues coupled with the formal communications has resulted in even higher participation rates. Also helpful in driving motivation has been the practice of educating managers about the programs so that they are better able to support their team members when asked questions, and thus recommend the programs.

What advice would you give someone who wants to evolve and further develop within the company?

Definitely plug-in where your interests are. The mentorship program is a great way to start, and each team member's HR team is a good resource to talk through the various development programs that currently exist, and the ones planned for the future.

What are the benefits of employee development and training on teamwork within departments?

Teamwork is a paramount professional life skill. Training to help employees deepen their understanding of why teamwork is so important and what good teamwork looks like, benefits the team members in the training course, benefits those who they work with, and ultimately may positively impact company culture and performance.

We would like to thank Lori for her insights on HR management and global employee development at Montana Aerospace and for promoting employee well-being and growth. As the company continues to expand, Lori and her team will play a crucial role in maintaining a positive company culture and providing opportunities for professional development.

Check out the following pages to learn more about our various Employee Development Programs.



LIVING DIVERSITY

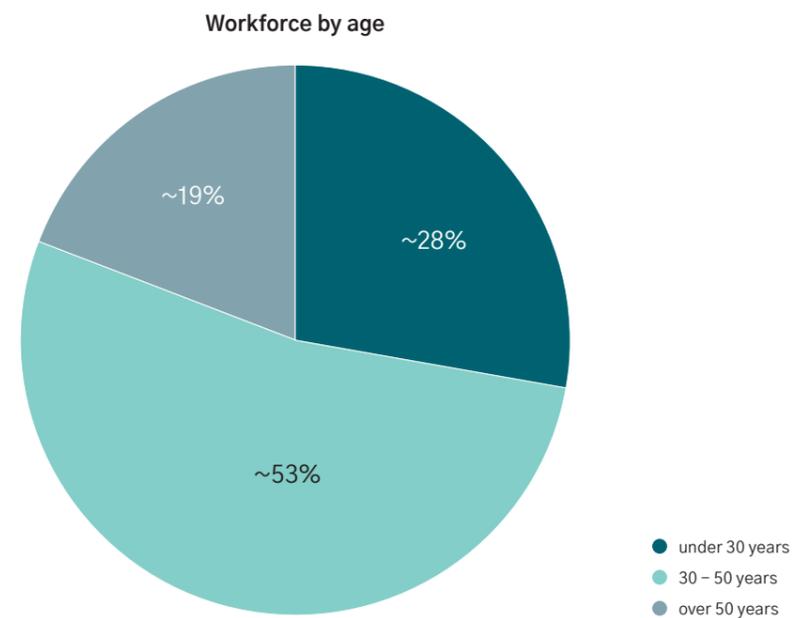
We believe that diversity is a critical component of today's global and highly competitive business environment. A diverse workforce brings together a variety of perspectives and experiences, which leads to innovative solutions and better decision-making. Therefore, we promote inclusiveness and value diversity as it raises the likelihood of attracting and retaining top talent from diverse backgrounds, as well as ensuring equal opportunity.

People with disabilities: ~1.3% of total workforce

We at Montana Aerospace are proud to report that roughly 1.3% of our workforce are individuals with officially certified disabilities.

While this number only includes persons with certified disabilities, we recognize that disability comes in many forms and are committed to creating an inclusive workplace where all employees feel supported and valued.

Montana Aerospace works on breaking down barriers and to promote a better understanding of disability and its impact in the workplace.



Female empowerment

At Montana Aerospace, we believe that a diverse and inclusive workforce is essential to our success. This is why we are proud to support our female employees and make sure they have the same opportunities as everyone else.

We know that women bring unique perspectives and skills to the table, and we value their contributions to our company. We work to create a work environment where all employees feel valued and supported, regardless of gender, age, or origin.

Wherever possible, we offer flexible working hour arrangements and professional development programs to help our female employees reach their full potential. We also take measures to eliminate any barriers that may prevent women from advancing in their careers.

We believe that when women succeed, our company succeeds. We are committed to promoting diversity and inclusion, and to supporting all of our employees, including our talented women.

Together, we are building a company that celebrates diversity and empowers everyone to reach their full potential.



While the acquisition of ASCO in 2022 led to a higher proportion of male staff in production and thus resulted in a lower percentage of female employees, we remain committed to creating a diverse and inclusive workplace. We are pleased to report that in recent years, we have made significant progress in increasing the share of women in management positions, including on the production floor. By actively seeking to attract and support women in all areas of business, we are working to create a workplace where everyone has the opportunity to thrive and succeed. We believe that promoting gender diversity and inclusivity is not only the right thing to do, but also helps us better serve our customers and meet the challenges of a rapidly changing industry.

Women in the spotlight

We are proud of the many great women who work at Montana Aerospace. We would like to briefly present some of our female colleagues here. They are representative of all of our female employees and show that the manufacturing industry is no longer a purely male domain. They are living proof that Montana Aerospace offers lots of opportunities for personal development and career advancement.

“Diversification is a key success factor for our company! I would love to see more women in leadership positions.”

Kai Arndt,
Co-CEO Montana Aerospace



Meet **Jane Bighetti**, who started as HR Manager in February 2021 at ASTA Brazil. Jane quickly rose through the ranks and was promoted to CHRO in 2022. Today, she proudly holds the title of Global HR Director.

Under Jane’s leadership, the HR department has made a smooth transition from traditional HR practices to a more strategic approach, with a focus on putting people at the forefront of all decision-making. Her impact on the organization has been immeasurable, particularly in driving social responsibility initiatives. But what sets Jane apart is her personal story. Despite being hearing impaired, she has used her challenge as a source of inspiration and motivation to push boundaries and achieve great things. Jane serves as a shining example of the diversity, resilience, and strength of the ASTA Group’s workforce.

Magdalena “Maggie” Hochuli started as an export clerk at Alu Menziken in Reinach in 1986 and held the position for many years. Later, she specialized in pipes for high-end printers in the industrial and private sectors, acquiring extensive knowledge of the available production technology with support from the technical and production teams. Maggie also created the first offer for pipes and profiles for the pneumatic cylinder industry, contributing to Alu Menziken’s current reputation as a significant supplier in this market. She is now a Key Account Manager and Deputy Head of Sales and has significantly shaped Alu Menziken through her dedication over the past 36 years.



Meet **Cathy Mao**, who started as HR/Administrative Assistant at ASTA China more than ten years ago and was promoted to HR Manager in 2022.

Cathy often took the initiative in the past to amend policies and regulations to make them more widely accepted and in line with the company’s interests. Her thorough understanding of the company’s current situation and development requirements made it possible for her to achieve significant progress in human resources planning and new employee recruitment across various departments. Cathy’s dedication and hard work have contributed to the success of ASTA China, making her a shining example of a successful female leader. Her journey serves as an inspiration to young women looking to make their mark in the business world.



EMPLOYEE DEVELOPMENT

Promoting potential, leveraging strengths

“Grow at Montana Aerospace”

Our mission at Montana Aerospace is to hire the most talented people and retain them by providing opportunities for advancement, transition and growth—professionally as well as personally.

We created the program “Grow at Montana Aerospace” to support our employees by offering various programs and training courses to promote their development.



1. The Buddy Program

The program, which was designed at the end of 2022 and will be rolled out through all divisions in 2023, is a valuable addition to the Montana Aerospace Group’s onboarding process. It helps new employees make a successful transition and feel at home at their new company. The program pairs new hires with experienced staff members who serve as a support system and guide them through their first few days on the job. The Buddy takes on the responsibility of introducing the new employee to their colleagues, showing them around their workplace, and providing them with crucial information about the company. They also include the new employee in social activities to help them feel more comfortable and connected with their team. Whenever newly hired staff needs assistance, their Buddy is always there to help. New employees feel encouraged and empowered by the program and enjoy the open communication and social activities.



2. The Mentorship Program

The Montana Aerospace Global Mentorship Program matches mentors and mentees from all divisions. It is a voluntary professional development program offered twice a year that lasts six months. Mentees and mentors go through an application process guided by the Montana Aerospace HR team to best match the mentees’ desired goals with the mentors’ skills. Cross-cultural competence is promoted by connecting applicants across countries and divisions.

At monthly sessions, mentors and mentees discuss meaningful topics:

- 1) Introductory meeting
- 2) Individual development plan
- 3) Personal brand and self-awareness
- 4) Building credibility
- 5) Value of interpersonal skills and exploring conflict
- 6) Taking the initiative and the power of attitude

Moreover, the meetings provide an opportunity to discuss individual issues of relevance to the mentors and mentees.

In 2022, **27 pairs** were matched under the program.

”I hope this program can be maintained for the future and I can join another time at another level, not just this once. Thank you for giving me a chance to have a mentor!”

Mentee

”Keep this program rolling. I consider it immensely helpful for many people.”

Mentor



3. The Talent Program

The global Montana Aerospace Talent Program has the purpose of developing and enhancing the potential of our top talents and focuses on increasing internal mobility and promoting the exchange of ideas. It offers a wide range of activities and social engagement options, and includes the preparation of a personal Individual Development Plan to structure the talented employee’s career aspirations and professional development expectations. Based on this Plan, the employee’s supervisor and HR manager provide guidance and support throughout the entire development process.

The 8-month-long program last year included 18 participants from all divisions.

These are some of the highlights:

- Two-day kick-off workshop in Austria facilitated by an experienced consultant
- Professional one-on-one coaching sessions with topics chosen according to their professional needs
- Working on business projects in smaller cross-functional groups to solve current business challenges
- Thought-provoking fireside chats with the Management Board
- Two-day Program Finale at the Montana Aerospace HQ with personal development and team-building activities
- Reports on the Business Project results as well as on employees’ personal progress to the full Management Board of the Montana Aerospace Group



4. The First Time Management Program

Starting in December 2022, Montana Aerospace is now offering a new, eight-week training program, designed and sustained by the Training Center of UACE, to support employees who are in a management position for their first time. The program is part of a broader leadership development objective in the Montana Aerospace HR Strategy. It is designed for all new first-time managers who are eager to grow, want to improve their soft skills and want to become better leaders. Therefore, the program provides learning opportunities and basic management tools to improve leadership skills.

The topics of the 8-week online course are divided into 8 modules and are given the suggestive titles Know Montana, Self-Awareness, Effective Communication, Conflict Management, Team Motivation, Team Development, Time Management and Planning.

The first cohort, which started the program in 2022, includes 14 participants from the different divisions of Montana Aerospace at the different sites in Brazil, Bosnia, Belgium and US. For the next training session that will take part from April to June 2023, 12 participants have already signed up—which proves a high interest among our Montana Aerospace junior managers in such a program.



5. The Sales Academy

The Montana Aerospace Sales Academy is the newest addition to the six employee development programs and is designed to meet the learning needs of all Sales Teams across its affiliates, including Aerostructures, Energy, and E-Mobility. Its aim is to offer a comprehensive and innovative learning possibility, that provides our employees with the skills and knowledge they need to excel in their sales roles. The Sales Academy is based on a target group-oriented and modular learning concept that incorporates both digital and classroom training methods to create added value for the participants. Areas of focus include typical sales skills, products and processes, business acumen, strategy and market knowledge, sales and leadership skills, as well as business unit procedures and governance.

After the execution of the “8 steps to sales success” training a happy participant sent us the following:

“The Sales Academy is an exceptional training adapted specifically to our needs. It teaches us body language techniques and focuses on training us how to behave in front of the customer, starting from shaking hands all up to the presentation techniques.”



Employee development stories

Further development and career planning is part of the company-wide HR strategy. Especially in times of shortages of skilled workers in all industries, we made a conscious decision to promote our existing talents. Career planning for employees already working for the company not only saves costs and time, but is more efficient than searching for personnel with the desired qualifications. It also increases employee morale and commitment, as they feel valued and recognized.

That is why we would like to introduce some of our employees who have grown with us:



Born and raised in India, **Nithin Theredath Sunny's** ambition and hard work have helped him achieve a steep career after he moved to Romania for his job at UACE. With a degree in Mechanical Engineering, Nithin started his career as a CNC helper at UACE, but with hard work, dedication, and the opportunities provided by the company, he quickly rose through the ranks and was recently promoted to team leader. He credits his success to the company's supportive environment and the opportunities provided for improving his skills and knowledge.

Nithin is not only a successful professional, but also a student, as he is currently studying product design. Despite his busy schedule, he still makes time for his hobbies and to explore the local area. With his passion for learning and his leadership skills, there is no doubt that Nithin will continue to thrive in his career. His advice to anyone considering a move abroad is to think beyond just the salary and take the people and environment into consideration. Nithin's journey is a testament to the power of hard work, determination, and the opportunities that come from being open to new experiences.



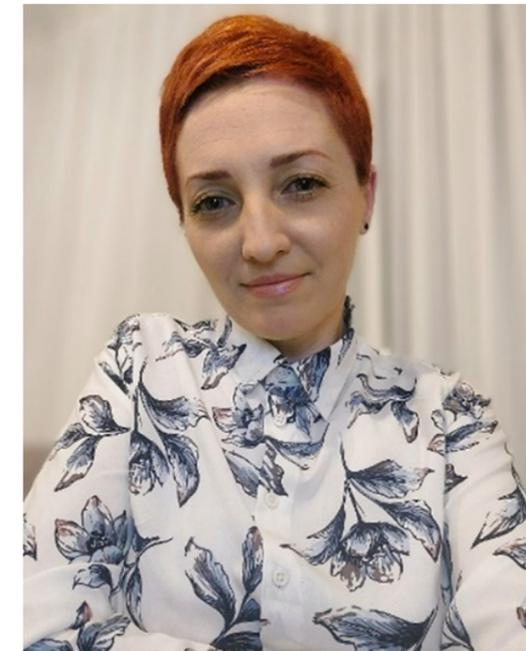
Sebastian Costin has already achieved a lot since joining Universal Alloy Corporation in Romania as a Press Operator in 2009. Sebastian's hard work and dedication helped him steadily climb the career ladder to become a team leader, shift supervisor, production manager for lightweight extrusion, and can now call himself Production Manager for Heavy Weight Extrusion. Sebastian was recently responsible for the implementation of the third heavy press in Mediesu, Romania, a challenging process but nonetheless successfully completed with the help of strong teamwork. The timeline was tight, but the first phase was completed in less than a year.

Talking about his current role, he emphasized the importance of hard work, dedication, and a deep understanding of the aluminum extrusion process as the key to success. These qualities make him a better leader and support him in making informed decisions. We would like to thank Sebastian Costin for his unwavering commitment and great performance over the past years, and will support him throughout his career.

Anamaria Bodea started her employment at Alu Menziken Romania in November 2021 as an assistant manager at the Die Shop Department. Her primary tasks included ordering dies, monitoring their arrival, preparing inspection documents, archiving records, and communicating with suppliers. She was also responsible for ordering the necessary equipment, tools, spare parts, and consumables for the department.

In July 2022, Anamaria was promoted to project manager in the Engineering Department. In this role, she oversees every new project from start to finish, and for complex projects, she monitors their progress until they are stable. Anamaria analyses and stores the documentation for these projects; she collects information and communicates regularly with all participants in the process to ensure the profiles are extruded to high-quality standards and delivered on time.

This position allows Anamaria to spend more time in production, surrounded by experienced professionals who bring projects to life. Alu Menziken Romania has given her the opportunity to learn and master challenges, demonstrating that she is capable of more than she had previously realized.





OUR COMMITMENT TO HEALTH, SAFETY AND THE ENVIRONMENT

At Montana Aerospace, we believe it is our duty to provide the highest level of health and safety measurements to our employees to ensure their well-being and guarantee a risk-free work environment.

The health and safety measures taken help reduce the risk of workplace accidents and workplace-related illness. These also ensure that our employees have the necessary protective equipment and training to carry out their tasks safely. This helps promote their physical and mental well-being, reduces the risk of stress and burnout, and improves overall job satisfaction.

Improving health and safety measures calls for a proactive and ongoing approach at all our divisions, including regular risk assessments, written policies and procedures, training and education, and safety technology.

- Regular risk assessments
- Development of safety policies and procedures
- Training and education
- Regular reviews and updates of measures
- Involving employees in health and safety initiatives
- Implementing safety technology
- Maintaining equipment and facilities

In 2022, we can also report zero fatalities among our employees & contractors, a testament to our unwavering commitment to safety.

Apart from the safety aspect, we aim to increase the well-being of our employees by taking the following actions:

- Encouraging physical activity
- Providing healthy food options
- Promoting mental health
- Fostering a positive workplace culture
- Supporting a work-life balance
- Providing ergonomic workspaces
- Offering medical assistance

At some of our locations, our employees have flexible working hours, home office arrangements, and part-time working options. We believe such benefits are crucial for our employees as they provide greater work-life balance, and this can improve job satisfaction.

We aim to provide as much assistance as possible to employees with children as well. At our UAC locations in Romania, we offer childcare facilities, as well as dedicated breastfeeding facilities, which are also available at ASTA in Brazil and UAC Vietnam.

A brief update on Covid-19

The effects of the corona pandemic partially subsided in 2022, but they were still present and taken seriously. For this reason, the measures taken in the preceding year were continued, such as remote office options, strict hygiene guidelines, in-house testing capacities, vaccination campaigns, and improved ventilation systems.

Our health and safety measures in 2022

Actions speak louder than words, and we at Montana Aerospace live the words Health & Safety. Below you will find examples of the measures that have particularly inspired us over the past year.



350 employees and two weeks of HSE

ASCO Belgium recently held a successful two-week Health, Safety, and Environmental (HSE) event, in which over 350 employees participated. The event, which took place at the end of September, was an opportunity for employees to receive intense safety training and engage in a fun and educational experience.

One highlight of the event was the environmental quiz, which provided a fun and interactive way for participants to learn about the importance of environmental sustainability. With the opportunity to win cinema tickets as a reward, the quiz was well received and helped to reinforce the message about the importance of environmental responsibility.

Providing safety training for students

ASCO US in Stillwater has formed a partnership with Oklahoma State University to provide hands-on learning opportunities for students. As part of this collaboration, incoming freshmen will have the chance to gain a deeper understanding of industrial safety standards through visits to our facility. Additionally, students will have the opportunity to participate in exchange programs and complete capstone projects on a range of Health, Safety, and Environmental (HSE) topics.

ASCO US celebrates two years without a “lost time injury”



Staying fit

At Montana Aerospace, the health and well-being of our employees is a top priority, and we provide a range of initiatives designed to promote wellness. Physical activity plays a crucial role in improving both physical and mental health.

That’s why we are proud to have participated in the Vienna City Marathon again in 2022 and extended an invitation to all our employees to join us. This event provided a great opportunity to foster teamwork and promote healthy habits, while also encouraging personal growth and achievement.



A role model for health and well-being at Montana Aerospace

Our UAC division in Vietnam is one of our role models whose activities in the area of health and well-being will also guide the other divisions in the future.

For instance, at UAC Vietnam you can find a canteen where fresh and healthy food is cooked daily. There is a medical room with a nurse working full time on site and all employees have the opportunity of a comprehensive medical checkup covered by the company once a year.

In addition, air filtering and dust collection systems were installed in all deburring areas, most production halls are climate controlled, and reverse osmosis water filtering systems are installed in several parts of the plant to provide pure drinking water.

CELEBRATING LOYALTY AND DEDICATION

At Montana Aerospace, we are proud to bring together a wealth of knowledge and expertise from over 200 years of combined experience in our field. The professionalism, dedication and commitment of our employees is our success factor. Many of them have been loyal to the company for decades. For this reason, we would like to thank the many loyal staff members, especially those who have been with us for more than 10, 20 or 30 years:

Employee Jubilees in 2022:

Alu Menziken Group 10 years: 7 employees 15 years: 10 employees 20 years: 8 employees 25 years: 6 employees 30 years: 5 employees 35 years: 2 employees	Alpine Metal Tech 10 years: 16 employees 20 years: 12 employees 30 years: 4 employees	ASTA Group 10 years: 132 employees 20 years: 26 employees 30 years: 6 employees 45 years: 2 employees
	ASCO Group 10 years: 53 employees 20 years: 6 employees 30 years: 4 employees 45 years: 1 employee	UAC Group 10 years: 72 employees



ASCO's 2-day retirement

James Brewer, an electromechanical technician, retired from ASCO Aerospace after working at the same location since 1976. He was one of the first employees hired when ASCO expanded into the US. However, he did not stay retired for long and decided to return to work at ASCO just two days after retiring. He now works in maintenance support and provides advice and assistance in obtaining replacement parts. ASCO is delighted to have James back on the team.

PHILANTHROPIC ACTIVITIES AND COMMUNITY ENGAGEMENT

We aim to strengthen our relationship with local communities by participating in philanthropic activities and we contribute to the social and environmental well-being of our stakeholders.

We at Montana Aerospace not only support our employees in their personal and professional development, but are also involved in several programs to promote educational achievements at all scholarly levels among students from diverse backgrounds. We also engage in helping people in need who are at risk from natural disasters, war and the pandemic.

Empowering communities through partnerships and programs

Our UAC site in Georgia, US, is dedicated to supporting the local community through various community engagement and donation initiatives. They are involved in several programs, such as the Cherokee FOCUS collaborative, which supports families and children, and the Cherokee County Educational Foundation, which promotes teaching and learning in the local school district. UAC also partnered with the Cherokee Recreation & Parks Agency to plant 25 new trees at the Veterans Park and is a Leader Level sponsor of Cherokee By Choice, a public-facing fundraising campaign launched by the Cherokee Office of Economic Development. UAC supports Creekview Takedown Club, which helps raise money for specific extracurricular activities at Creekview High School, and hires interns and full-time employees from Goshen Valley, a foster care program that supports sibling groups in Georgia. We are proud of UAC's involvement in these initiatives, which showcases its commitment to making a positive impact on the local community.



Helping people in need

Over the summer, 80 Ukrainian refugees, mostly orphans, received counselling, help with school and had a chance to have fun while learning to practice water sports under the supervision of specialized personnel, in addition to other fun events, like going horseback riding. The aim of the program was to help integrate them and help them forget the atrocities of the war. Another program invited Ukrainian children aged 10 to 13 from the local school in Mediesu Aurit to learn robotics, teaching them programming and mechanics. ALU MENZIKEN also donated pillows and blankets for refugees as well as medical equipment to the local hospital.

Spreading holiday cheer

Alu Menziken embraced the values of kindness, giving, love, and compassion during the holiday season in Romania. The staff was honored to serve as Santa's helpers, delivering gifts to the children of Turulung Secondary School and spreading joy and happiness.

Our mission is to make a positive impact on our community, especially during the festive season. The excitement and joy on the children's faces when they received their gifts is a testament to our commitment to giving back and spreading happiness.





GOVERNANCE

At Montana Aerospace AG, we believe that sustainability is at the heart of responsible corporate management and is guided by the principles of integrity, honesty, sustainability and transparency. As a global industrial group, our international activities come with various social, political, and legal obligations. We understand that any violation of these obligations could have severe and lasting effects on our financial standing and business, which is why we are committed to ensuring ethical and legally sound behavior of all our employees and business partners.

We take pride in being a market and technology leader with operations established over decades, and we are committed to pursuing a long-term, sustainable and comprehensive growth strategy for value creation. Our success is driven by our team's high degree of personal commitment, strong team spirit, open communication, unwavering focus on quality innovation, and strong customer orientation.

We are also committed to the values and principles that are summarized in our Code of Conduct, which was rolled out company-wide last year and serves as a framework for sustainable and responsible behavior within the Montana Aerospace Group. Our governance rules and regulations apply to all employees of Montana Aerospace and we expect and encourage every single employee to adhere to these standards.

In 2022, we went a step further in our commitment to sustainability and responsible corporate management by expanding our Code of Conduct, releasing a group-wide People Policy and implementing a Whistleblower tool, which allows employees to anonymously report any violations of our Code of Conduct, ensuring that all employees have a voice in maintaining our standards of integrity and ethical behavior. With these additions to our governance framework, we are confident that Montana Aerospace AG is well-positioned to continue leading the industry with our sustainable and responsible business practices.

We believe that sustainability cannot be prescribed or decreed top-down and that it is crucial to incorporate all levels, disciplines, and geographical regions into our sustainability governance. As the Montana Aerospace Group, it is vital for us as a company to ensure that our governance guidelines are followed globally, ensuring that our commitment to responsible and sustainable behavior is upheld in all our divisions and sites.

HIGHLIGHTS OF OUR GOVERNANCE ACTIVITIES IN 2022



Code of Conduct

The Code of Conduct of Montana Aerospace was defined at the beginning of 2022 and outlines the ethical values and principles that guide the company's operations. It applies to all employees and to all companies in which Montana Aerospace holds a stake of more than 50%, ensuring consistent ethical standards across the entire enterprise. Our Code of Conduct is based on the principles of human rights and seeks to promote transparency, honesty, sustainability, and integrity in all of Montana Aerospace's business practices. It is the foundation of our corporate culture and serves as an ethical guide for all employees.



Whistleblower tool

In 2022, we implemented a whistleblower tool to encourage employees or outside parties to report any wrongdoing or violations of company values and principles in a secure and trustworthy manner. We at Montana Aerospace take every individual report seriously and believe it is important to take responsibility as a company.



People policy

At Montana Aerospace, we are dedicated to promoting human rights and ethical business practices and have established a work environment that is inclusive and equal, and prioritizes employee health and development. We also published our People Policy in 2022, which was endorsed by the Board of Directors and the Management Board. The Policy aims to prevent any form of discrimination or harassment in the workplace. The Policy is part of the onboarding process and defines a procedure for addressing breaches.

Supply chain guidelines

Montana Aerospace is committed to responsible and sustainable business practices in our supply chain guidelines. Our supplier selection process considers a range of factors, including quality, safety, cost, anticorruption practices, responsible sourcing, human rights due diligence, environmental practices, and protection of intellectual property. We only partner with suppliers who share our commitment to human rights and sustainability principles. In 2022, we established new guidelines in our Code of Conduct to further strengthen our focus on responsible sourcing. In 2023, we will be working on a supplier code of conduct based on these guidelines to ensure that all our suppliers align with our values and ethical principles. Our supplier selection process, coupled with our upcoming Supplier Code of Conduct, guarantees long-term efficiency and continuity in our supply chain.



IN CONVERSATION WITH RENATE KRENN

HEAD OF LEGAL & COMPLIANCE AT MONTANA AEROSPACE

... about promoting responsible behavior and sustainability within the company, changes in corporate governance, and the legal aspects associated with Montana Aerospace's acquisitions.

Renate Krenn has been Head of Legal & Compliance for more than four years—first at Montana Tech Components and, since its foundation, at Montana Aerospace AG. In 2021, she played an important role as a legal advisor for the company's IPO.

You have been Head of Legal at Montana Aerospace since its foundation. What are your main responsibilities?

My principal tasks include the implementation of the legal aspects of projects such as IPOs or acquisitions, the review of contracts, the implementation of corporate law obligations at our Group companies, the preparation of the annual general meeting, support in legal disputes as well as the implementation of Group-wide approval and reporting requirements and policies.

What were the most important or exciting projects for you last year?

The year 2022 included a number of firsts: not only was the first Annual Report published, together with the Corporate Governance Report and the Compensation Report, but the first Annual General Meeting after the IPO also took place, although unfortunately still with restrictions due to Covid-19.

Additionally, the ASCO acquisition was completed, marking the conclusion of a complex and exciting project.

What changed at Montana Aerospace last year in terms of governance, including ESG?

The importance of governance has come into even sharper focus over the past year, and we have implemented or standardized Group-wide approval and reporting requirements in this context. In addition, the Code of Conduct and the Whistleblower Policy, including the associated whistleblower tool, were implemented.

What legal issues are important at Montana Aerospace right now?

We are currently concerned with the implementation of various legislative projects: in Switzerland, a revision of the Stock Corporation Act came into force on 1 January 2023, which means that amendments to the Articles of Association will have to be proposed to this year's Annual General Meeting. In addition, we are analyzing the possible need for adjustments to our whistleblower policy or whistleblower tool due to the national implementation of the EU Whistleblower Directive in the countries in which Montana Aerospace AG is represented by subsidiaries. We are receiving more and more inquiries from colleagues in purchasing and sales as to whether contracts can be adjusted accordingly due to the strong price movements and inflation trends.

What legal aspects are important in a company like Montana Aerospace, considering that there have been some acquisitions in recent years, such as ASCO Industries or Cefival?

We need to ensure that approval and reporting requirements are implemented consistently, but without creating inefficiency or diverting focus from operations.

What are the difficulties of working in a company that has so many different divisions under one roof?

On the one hand, not every legal topic is equally relevant for every segment, and contractual relationships with suppliers or customers are structured differently; a circumstance that must also be taken into account in our policies. On the other hand, these differences are also interesting.

Why have you created a Code of Conduct and People Policy and what are its main contents?

Due to international activities, it was important to Montana Aerospace to set out the fundamental values in relationships with our employees, customers, suppliers and other business partners in guidelines. The aim was also to emphasize the high priority Montana Aerospace attaches to sustainable and responsible conduct and a strategy of long-term, sustainable and comprehensive growth and value. All contents are relevant, of course, but I would particularly like to emphasize the importance of compliance with laws and social standards, respect and integrity, non-discrimination, avoidance of conflicts of interest, and commitment to environmentally friendly and resource-efficient production.

Why did you create a whistleblower tool and what does it improve at the company?

The Whistleblower Tool is an important component for enabling employees and others to report potential misconduct in a confidential and anonymous manner to enable an investigation and appropriate action. Because the tool allows for anonymous reporting, it ensures that a whistleblower who reports misconduct in good faith will not be subject to retaliation or suffer intimidation, discrimination or other adverse employment consequences as a result of making such a report.

Thank you, Renate, for the overview of the legal aspects of the preceding year and the importance of the new Code of Conduct, the People Policy and the Whistleblower Tool. Read more about these important tools that help Montana Aerospace remain an ethical and sustainable company on the following pages.

CODE OF CONDUCT

Our stakeholders rightly have high expectations in our business practices. Our top priority is to meet these high expectations and act with the required integrity and honesty. We want to continue to be perceived by our stakeholders as reliable, transparent and fair.

As a global group of industrial companies, Montana Aerospace AG and its subsidiaries adhere to a policy of responsible corporate governance based on the principles of integrity, honesty, sustainability and transparency. This behavior is one of the most important factors of influence for our reputation as a global company. In this respect, it is especially important to us to take the political, legal and social conditions in our markets seriously and comply with all rules and regulations.



We are bound by our fundamental values and promises in our relationships with employees, customers, suppliers and business partners. We summarized these in our Code of Conduct, published in March 2022, which you can find by scanning the QR Code.

The establishment of our whistleblower tool for inquiries and complaints will further highlight our ethical commitment.

The Code of Conduct applies to all employees of Montana Aerospace AG and to all companies in which Montana Aerospace is a major shareholder (over 50%), regardless of geographic location or job profile. Our Code of Conduct is the foundation of our corporate culture and the basis of everything we do. Its purpose is to serve as ethical guidelines for all people who are part of Montana Aerospace and to define the ethical values, principles and policies.

PEOPLE POLICY

OUR COMMITMENT

We, Montana Aerospace, are committed to ethical and sustainable business practices and human rights.

We, Montana Aerospace, are committed to creating a work environment that is defined by equality and inclusion.

We, Montana Aerospace, promote a healthy and safe workplace where employees feel valued and are given development opportunities.

We, Montana Aerospace, strive to establish business relationships with partners committed to our values and principles.

Respect for human rights and human dignity has always been a priority for us as a company and are integral elements of every single step we take as a company. We believe that every person is equally entitled to human rights and that these rights must be understood, respected, guaranteed and promoted.

Our own contribution to human rights is our Human Rights Policy published in November 2022, which is supported and endorsed by our Board of Directors and the Group Management.

This Policy illustrates how important it is to us to respect human rights and to prevent any kind of discrimination. This Policy is also designed to ensure that all our employees can work in an environment free from any form of harassment or discrimination. We take responsibility, not only for our business activities, but also for the well-being of our employees by offering fair and equal opportunities for development in a healthy and motivating working environment.

People Policy guarantees all our employees freedom of assembly and the right to collective bargaining and to unionize without the fear of discrimination.

Our Policy is part of the onboarding process to ensure that all employees understand it and its scope of application.

In addition to being embedded in our traditional governance structure, it also defines a process on how to proceed in the event of a breach.

WHISTLEBLOWER TOOL

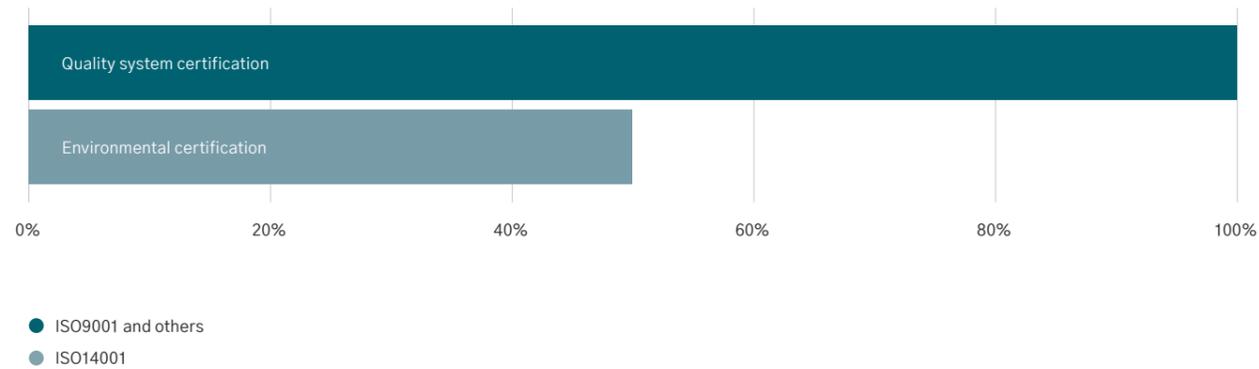
At Montana Aerospace we aim to create a workplace of mutual respect and freedom from discrimination of any kind. This tool allows employees and also outsiders who become aware of misconduct or violations of our values and principles to share their concerns and perceptions using a safe and trustworthy channel.

It permits the reporting of any irregularities or violations. It is very important to us to give every point of view due consideration. This is the only way we can work together responsibly.

In 2022, **no incidents** were reported via the whistleblower tool.

CERTIFICATIONS

At Montana Aerospace, we take our commitment to security and reliability seriously, and we demonstrate this with our industry-relevant certifications. Our manufacturing operations are built on a foundation of quality systems, which are subject to audits and certification processes across all business areas. In addition, we have developed further qualification standards where necessary and are proud to report that 50% of our locations have completed environmental management certification audits. These certifications reflect our dedication to meeting the highest standards of quality, safety, and environmental responsibility in all of our operations.



RATING

In 2022, Montana Aerospace once again conducted the S&P Global Corporate Sustainability Assessment (CSA) using its 2021 data set. The results of the assessment demonstrated significant progress in the company's sustainability performance. We were able to improve our score from 5 to 17 points in just one year, representing an impressive increase of 12 points, and moved up from the 16th percentile to the 48th percentile. With the new result, we are now in the average range compared to other companies in our industry.

The CSA highlighted that Montana Aerospace performed well above average in critical areas such as business ethics, social reporting and labor practices, human rights, and human capital development. These areas are essential for any company striving to operate sustainably and ethically, and our strong performance demonstrates our commitment. In addition, we can report significant improvements in the areas of climate strategy, environmental policy & management, and occupational health and safety.

In 2023, Montana Aerospace plans to continue its ESG journey by focusing on key areas such as materiality analysis, risk management, supply chain management and environmental reporting. By addressing these areas, we are committed to further enhancing our sustainability performance and making a positive impact on the world.



”As Montana Aerospace Group, we operate in a very specific and challenging environment, also with regard to ESG. There is no doubt, however, that we can make a very significant contribution to our environment and thus to society, not least thanks to engaged and innovative product development work. We – and our employees – are well aware of this special responsibility and embrace it proactively.”

Silvia Buchinger,
CHRO

THE MONTANA AEROSPACE EQUITY STORY

Boosting structural change and the energy transition

Montana Aerospace offers shareholders an investment opportunity in high-growth niche and promising markets. We pursue a clear goal with our worldwide highly integrated manufacturing operations: to play an active role in shaping the far-reaching structural changes in the aerospace and e-mobility industries as well as in the energy transition. At the same time, we also aim to improve our ecological performance by making a positive contribution to climate change mitigation. As a full-service provider with a global local-to-local strategy and ~6,700 highly-skilled employees at 22 locations worldwide, we are ideally positioned to serve our customers by providing forward-looking solutions.

Reasons to invest in Montana Aerospace

a) We create shareholder value

Our strategic focus on growth, EBITDA margins and free cash flows aims to increase value for our shareholders. To achieve this goal, we concentrate on the following core areas.

Positioning ourselves with the times

Over the long term, population growth and increasing prosperity will raise demand for energy and the need for sustainable mobility concepts both in the air and on the ground.

Montana Aerospace's scalable business model supports the goal to increase its market shares in Europe, the US and the APAC region while strengthening its positioning as a technology leader in the megatrends.

Organic growth and inorganic growth

With long-term capital spending of more than EUR 650 million (CAPEX) from 2018 to 2022, most of which was invested in the expansion of capacities and know-how, we improved growth in a rapidly changing supplier environment. In recent years, Montana Aerospace has established a reputation as a buy-and-build partner of choice for well-known OEMs and tier-1 suppliers. This has led to a significant increase in sales based on long-term customer contracts (contracted sales).

Operational excellence

Our focus is on the continuous development and implementation of measures to achieve best-in-class efficiencies in all core processes of our value chain. Continually improving performance creates added value for our customers, increases our competitive advantage and enhances the motivation and team spirit of our employees.

b) Clear commitment to ESG goals

Montana Aerospace's business model is based on a commitment to the sustainable mitigation of environmental impacts. This commitment and the integration of ESG criteria into the company's philosophy is a key element of our strategy and long-term success. At Montana Aerospace, we focus on three sustainability priorities:

- a) Reduce our CO₂ emissions by expanding the vertical integration of our value chain
- b) Promote the circular economy by implementing in-house recycling processes
- c) Establish sustainable, long-term working relationships with our employees and partners.

c) Strong positioning on the market

Vertical integration = high value creation

Montana Aerospace is a highly vertically integrated supplier of aerostructures with a solid best-cost country footprint, multi-material expertise in aluminum, titanium, composites, copper and steel. We are a leader in innovative product design, supported by our proprietary intellectual property solutions.

Key partner for customers

Montana Aerospace's market proximity, which is based on its local-to-local manufacturing and service strategy, and its solid best-cost country footprint, ensures strong long-term relationships with blue chip customers from the aerospace, e-mobility and energy sectors.

Resilience through diversification

As an industry group with a leading market position and strong brands, we specialize in the key technologies of three promising markets. With our strong industrial base with 22 locations and efficient overhead structures, we achieve optimal market coverage in the aerospace, e-mobility and energy industry. Diversification is carefully selected to strengthen our business model and helps balance the divergent business cycles. This resilience was successfully demonstrated during the pandemic by our highly engaged employees.

“Since our IPO in 2019, we have not only maintained earnings levels – even in the most challenging periods – but have also exceeded these in the past two years. This achievement was made possible by our business model with strong cash flows, our focus on high profitability, a stable balance sheet structure, and our high degree of efficiency on the shop floor, and, above all, by our dedicated management and team at all of our 22 locations.”

Dr. Michael Pistauer
Co-CEO & CFO Montana Aerospace



ABOUT MONTANA AEROSPACE AG:

Montana Aerospace AG is a leading producer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. As of April 2022, the company has approximately 6,700 highly skilled employees at 22 locations on four continents—designing, developing and producing ground-breaking technologies for tomorrow's aerospace, e-mobility and energy industries out of aluminum, titanium, composite, copper and steel.

DISCLAIMER:

Some of the information contained in this ESG Report may be forward-looking statements. Montana Aerospace AG cautions that such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Montana Aerospace AG undertakes no obligation to publicly update or revise any forward-looking statements.

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