



Montana Aerospace Materiality Analysis

We are aware of our responsibility for sustainability and have therefore developed our first materiality assessment process to identify the most important material topics for the company. It was important to us to integrate different perspectives into our analysis to deepen our understanding. The materiality assessment process of Montana Aerospace is a comprehensive process that takes into account both the company's own assessment and the concerns of its stakeholders.

The materiality assessment process will be further developed in 2024 to meet the requirements of the ESRS standards. For this purpose, a materiality analysis according to the principle of double materiality will be carried out. The future materiality assessments will be reviewed on a yearly basis.

In 4 steps we conducted our first materiality assessment. On basis of a prepared list of potentially relevant ESG topics, we subsequently assessed them through two distinct perspectives:

- The impact on people and the environment considering all our global entities and different stages of the value chain.
- The Stakeholder perspective to gain understanding the concerns of our stakeholders by consulting them directly.

We combined the results of those perspectives to identify the topics we should focus on to have the greatest impact.

Our 4 Step Process in detail:

1. Identifying ESG topics
2. Impact Assessment
3. Stakeholder perspectives
4. Determine material topics



1. Identifying ESG topics

The starting point for our materiality analysis corresponds to the identification of the sustainability topics that are potentially relevant to Montana Aerospace. The list of potential ESG-topics derived from sustainability standards and frameworks (GRI Standards and the first draft of the ESRS Standards) as well as a benchmark of sustainability practices of other multinationals. To gain a common understanding of each topic we describe the different topics in an objective and factual way to avoid potential bias. This resulted in the long list of 36 ESG topics:

Environment:

- Climate & Emissions
- Energy
- Substances of concern & of very high concern
- Water withdrawals
- Water consumption
- Water discharges in water bodies and in the oceans
- Biodiversity
- Resources inflows, including resource use
- Resource outflows related to products and services
- Waste
- Materials
- Supplier Environmental Assessment

Social:

- Employment and Working Conditions (own workforce)
- Occupational Health and Safety (own workforce)
- Diversity, equity and inclusion (own workforce)
- Training and Education (own workforce)
- Other work-related rights (own workforce)
- Generation Management (own workforce)
- Working Conditions in the value chain
- Supplier Social Assessment
- Forced or Compulsory Labor & Child Labor in the value chain
- Local communities



Governance:

- Corporate culture
- Protection of whistle-blowers
- Networking Activities
- Procurement Practice
- Anti-competitive Behaviour
- Anti-corruption (Corruption and bribery)
- Economic Performance
- Market Presence
- Investments
- Tax & Indirect Economic Impacts
- R&D, Innovation and advanced technology
- Product Quality & Safety
- Digital Transformation
- Cyber Security and Data Protection

2. Impact Assessment

To prioritize the topics, a comprehensive assessment involved the participation of all global entities. The ESG topics, stemming from the initial long list, underwent evaluation based on the following criteria encompassing actual/potential impacts, both positive and negative:

- Severity – the severity is determined by the following characteristics:
 - Scale: how grave the impact is
 - Scope: how widespread the impact is
 - Irremediable character (only for negative impacts)
- Likelihood (for potential impacts) refers to the chance of the impact happening

The responsible individuals of each entity were provided with an assessment template, which they subsequently completed. All the collected results were consolidated into a final sheet to obtain an overall assessment outcome.



3. Stakeholder perspectives

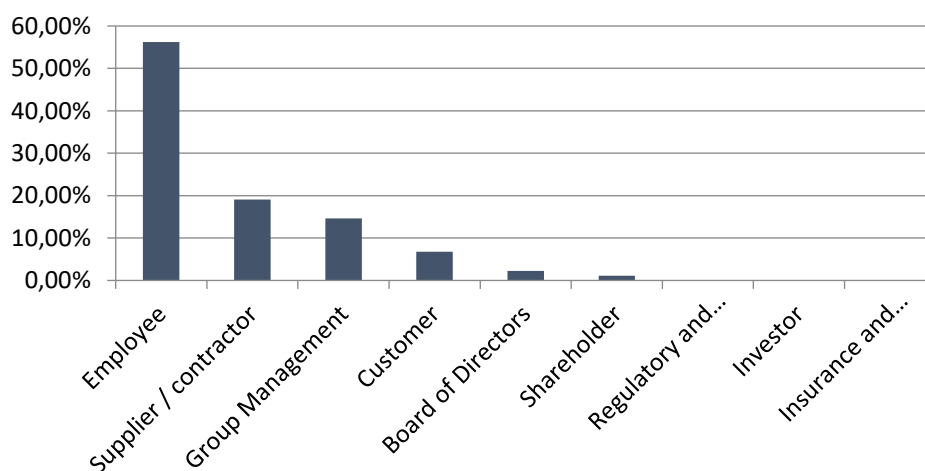
The process of gathering feedback from our primary stakeholders is a crucial component of our sustainability materiality assessment. This enables us to gain insight into their expectations and effectively prioritize sustainability matters, influencing our overarching sustainability strategy and our capacity to work toward common sustainability objectives.

For our 2021 sustainability materiality assessment, we conducted an online survey to gather our stakeholder perspectives on the list of ESG topics we had identified.

Overview Stakeholder Analysis:

200 participants¹

<u>Answer Choices</u>	<u>Responses</u>
Employee	56,18%
Supplier / contractor	19,10%
Group Management	14,61%
Customer	6,74%
Board of Directors	2,25%
Shareholder	1,12%
Regulatory and certification body	0,00%
Investor	0,00%
Insurance and financial institute	0,00%



¹ 46% completion rate



4. Determine material topics

To mitigate any potential impact of unbalanced stakeholder representation on the outcome, we analyzed and compared the results and included them in the determination of our material issues.

The results of Montana Aerospace's materiality assessment were determined by setting a threshold. The outcome was approved by the Advisory Board.

Overview of material topics:

- Climate & Emissions
- Resources inflows
- Energy
- Waste
- Materials
- Resource outflows
- Supplier Environmental Assessment
- Supplier Social Assessment
- Occupational Health and Safety (own workforce)
- Diversity & Corporate culture
- Water consumption
- Working Conditions (own workforce)

Climate Change	Emissions
	Energy
Circular Economy	Resource inflows
	Materials
	Resource outflows
	Waste
Water	Water consumption
Supply Chain	Supplier Environmental Assessment
	Supplier Social Assessment
Own workforce	Health & Safety Working Conditions Diversity & Corporate Culture