ITP AERO

ESG REPORT 2024

ESG REPORT
2024

This report includes the information prescribed by Law 11/2018 of 28 December on non-financial and diversity information known as the **“STATEMENT OF NON-FINANCIAL INFORMATION”**, which must accompany the Annual Accounts and Consolidated Management Report of the company **Bain Propulsión Bidco, S.L** and its subsidiaries. **(ITP Aero Group)**.

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Bain Propulsión Bidco, S.L.:

Pursuant to article 49 of the Code of Commerce, we have verified , with the scope of a limited assurance engagement, the accompanying Consolidated Statement of Non-Financial Information ("SNFI") for the year ended 31 December 2024 of Bain Propulsión Bidco, S.L. (Parent company) and subsidiaries (hereinafter "Grupo ITP Aero o el Grupo" or the Group) which forms part of the Grupo ITP Aero o el Grupo's consolidated management report.

Responsibility of the directors of the Parent company

The preparation of the SNFI included in Grupo ITP Aero o el Grupo's consolidated management report and the content thereof, are the responsibility of the directors of Bain Propulsión Bidco, S.L. The SNFI has been drawn up in accordance with the provisions of current mercantile legislation and following the criteria of the *Sustainability Reporting Standards* of the *Global Reporting Initiative* ("GRI Standards") selected as per the details provided for each matter in the section "Table of GRI Indicators" of the aforementioned Statement.

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the SNFI to be free of material misstatement due to fraud or error.

The directors of Bain Propulsión Bidco, S.L. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the SNFI is obtained.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialising in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Grupo ITP Aero o el Grupo that were involved in the preparation of the SNFI, of the review of the processes for compiling and validating the information presented in the SNFI, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Bain Propulsión Bidco, S.L. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the SNFI for the year 2024, based on the materiality analysis carried out by Grupo ITP Aero o el Grupo and described in section "Materiality Analysis", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the SNFI for the year 2024.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the SNFI for the year 2024.
- Verification, by means of sample testing, of the information relating to the content of the SNFI for the year 2024 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the SNFI of Bain Propulsión Bidco, S.L. and its subsidiaries, for the year ended 31 December 2024 has not been prepared, in all material respects, in accordance with the provisions of current mercantile legislation and following the criteria of GRI selected as per the details provided for each matter in the section "Table of GRI Indicators" of the aforementioned Statement.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Ramón Abella Rubio

27th March 2025

CONTENT

1. ABOUT ITP AERO

1.1. LETTER FROM EVA AZOULAY, CEO OF THE ITP AERO GROUP

Dear Stakeholders,

As we reflect on 2024, I do so with an incredible sense of pride and gratitude, both for what we have accomplished as a company and for my own journey in my first year as CEO. Stepping into this role has been an extraordinary experience, allowing me to witness first hand the dedication, resilience, and passion that define our organization. I am honoured to be part of this team, to celebrate our achievements together, and to help shape the exciting future we are building. This has been a record-breaking year, one that has set the foundation for even greater success ahead.

This year also marked a significant milestone: our 35th anniversary. More than just a number, this anniversary represents the journey we have all been on, a journey of heart, passion, and commitment. Every challenge we have faced and every success we have achieved has been fuelled by the dedication of our people, the trust of our customers, and the strength of our partnerships.

Alongside this milestone, we unveiled our new corporate identity, “Flying Forward, Together” a powerful statement of who we are and the future we are creating as a newly independent company. It reflects not just our ambition but the spirit of unity and innovation that drives us forward towards a more efficient and sustainable aviation industry.

2024 was also a year of unprecedented growth and expansion for ITP Aero Group. We achieved more than 24% revenue growth and invested in our global footprint and capabilities. This impressive surge in performance underscores the strength and resilience of our team, the excellence of our products, and our ability to drive innovation. But our success is not measured by numbers alone. Our achievements reflect our unwavering commitment to pushing the boundaries of what is possible in aerospace.

This year we also made strides in advancing our mandate of growing our aftermarket presence and we did so through the strategic acquisition of BP Aero. With BP Aero we have significantly strengthened our MRO (Maintenance, Repair, and Overhaul) capabilities in the United States, positioning us to meet the increasing demand within the aerospace sector. We also celebrated the inauguration of our new Castings facility at our Querétaro (Mexico) site, where we have already started to manufacture our first castings. This achievement not only enhances our manufacturing capabilities but also reflects the outstanding collaboration and effort across our global operations.

We also expanded our technological capabilities with the completion of ADMIRE, our ADvanced ManufacturIng aeRospace centEr, which began operations in early 2025. This state-of-the-art facility is a major step in advancing our capabilities in next-generation aerospace technologies and manufacturing. Furthermore, we are proud to be the first aero-engine company to receive EASA certification for an additive-manufactured structural component, marking a significant milestone in our journey to lead the way in aerospace innovation.

Partnerships and collaborations have always been at the core of our success. In 2024, we continued to strengthen and expand our relationships with premier industry players, fostering deeper collaborations that drive innovation, efficiency and long-term value. These strategic relationships not only enhance our capabilities but also reinforce our position as a trusted and essential partner in our industry. As we move forward, we remain committed to cultivating these relationships, working together to shape the future of aerospace and advanced manufacturing.

None of these achievements would have been possible without the dedication and hard work of our employees around the world. A team that continues to grow as we added more than 650 talented professionals worldwide, reinforcing our culture of expertise and leadership. This team’s, passion, resilience, and commitment to excellence continue to drive our success and reinforce our position as an industry leader. Additionally, we strengthened our executive leadership team, bringing in visionary leaders who together with an already strong and committed team will guide us through our next phase of growth.

Furthermore, at ITP Aero Group, sustainability has been a key focus throughout the year. We believe that the future of aviation must be rooted in environmental responsibility, and I am pleased to announce that our efforts have been recognized globally. We were awarded the EcoVadis Platinum Medal in 2024, placing us among the top 1% of companies assessed by EcoVadis for sustainability performance. Additionally, the Financial Times honored us as one of Europe's Climate Leaders for 2024, highlighting our commitment to building a cleaner, more sustainable future for aviation.

Looking ahead to 2025 and beyond, I remain highly confident in our ability to sustain our momentum, achieve our ambitious goals, and continue delivering exceptional value to our customers, partners, and stakeholders. With our strong foundation, strategic vision, and world-class team, the future has never been more promising.

Thank you for your continued trust and support. We say "Together, we find better ways to power flight and keep its magic alive"! And we truly believe that we can do so, for the generations that will follow us and for the world that depends on the freedom and innovation that flight brings. The freedom and innovation that flight brings will remain at the heart of everything we do.

Together, we are truly Flying Forward Together ... to even greater heights.

Sincerely,
Eva Azoulay.

CEO, ITP Aero Group.

1.2. STRATEGY, PURPOSE AND BEHAVIOURS

STRATEGIC PLAN ITP2027

As part of ITP Aero Group's (Bain Propulsión Bidco S.L. and subsidiaries) ITP 2027 Strategic Plan, the company has launched its new purpose, strategic drivers and behaviours.

With its purpose: **"Together, find better ways to power flight and keep its magic alive"**, ITP Aero Group cements its role as a leader in next-generation flight technologies. ITP Aero Group is set to raise the bar in aviation and build the best value networks, leveraging on its innovative spirit and passion to power the future of flight.

Together, because we believe that collaboration is the key to innovation and progress, both within ITP Aero Group and with our partners, and engines are made through collaboration.

Find better, because this is an engineering effort. It requires work, knowledge, and innovation. As a company, we are relentless in the search for better answers to the challenges aviation faces.

Ways to power flight, because we create complete solutions, not just products and focus on aerospace propulsion.

And to keep its magic alive, because powered flight is a miraculous engineering feat. It keeps us safe, connects us, allows us to explore, learn and enjoy. But in this era, it faces three key challenges: cost, environmental impact and the need to be safer every day and we will strive to keep the magic of flight as part of the solution.

The ITP Aero Group's Purpose is based on the impact the company wants to have on its customers and society and responds to its ambition for growth, which differentiates it from its competitors, defines the market in which it operates and highlights the challenging aspect of the Strategic Plan.

In addition, the ITP2027 Strategic Plan also includes **the four strategic *drivers*** on which the ITP Aero Group will focus over the coming years, framed in a phase of intense growth and challenging international expansion. The four *drivers* are:

Future Flight Technologies: based on developing innovative proprietary technologies and products that will enhance our competitiveness, customer portfolio and meet future market needs.

Lifecycle Propulsion Services: focused on helping us evolve from being a world-leading OEM to a recognised market-leading provider of innovative full lifecycle solutions and MRO.

Smart Delivery at Scale: designed to build a world-class supply chain to deliver on our commitments, prioritising safety, quality, cost and sustainability.

More Privileged Partnerships: addresses the importance of developing a diversified portfolio of long-term relationships with civil, defence and services customers for current and future solutions.

The four strategic drivers are supported by a **People and an ESG Strategy**.

The Strategic Plan also incorporates the **four Behaviours** that will serve as the benchmark for all employees across the Group: Love the challenge, Bring others in, Make the call, and Be excellent together. These behaviours are central to how ITP Aero Group operates today and are key enablers of its future direction.

NEW CORPORATE IDENTITY

In 2024, ITP Aero Group unveiled its new corporate identity, ushering in a new chapter in its successful history.

This rebranding, under the slogan **"Flying forward, together"**, not only celebrates 35 years of industry expertise but also signifies ITP Aero Group´s evolution as an independent company with a clear focus on driving innovation, efficiency, and sustainability in aviation. By embracing a new brand narrative built around the company's purpose—"Together, we seek better ways to power flight to keep its magic alive"—ITP Aero Group reinforces its position as a leader in next-generation flight technologies.

This rebranding comes at a time of ambitious expansion for ITP Aero Group, marked by significant investments in R&D, industrial growth, a diversification strategy, growth with new customers and enhanced MRO (Maintenance, Repair and Overhaul) capabilities.

1.3. THE COMPANY

ITP AERO IN FIGURES

With a 35-year track record of growth and innovation, we invest in cutting-edge technology to raise the bar in aviation, every day.

+1,600M€

REVENUE 2024

+5,700

EMPLOYEES IN 2024
MORE THAN 650 NEW HIRES

+100M€

R&D&I 2024
(6% OF TOTAL INCOME)

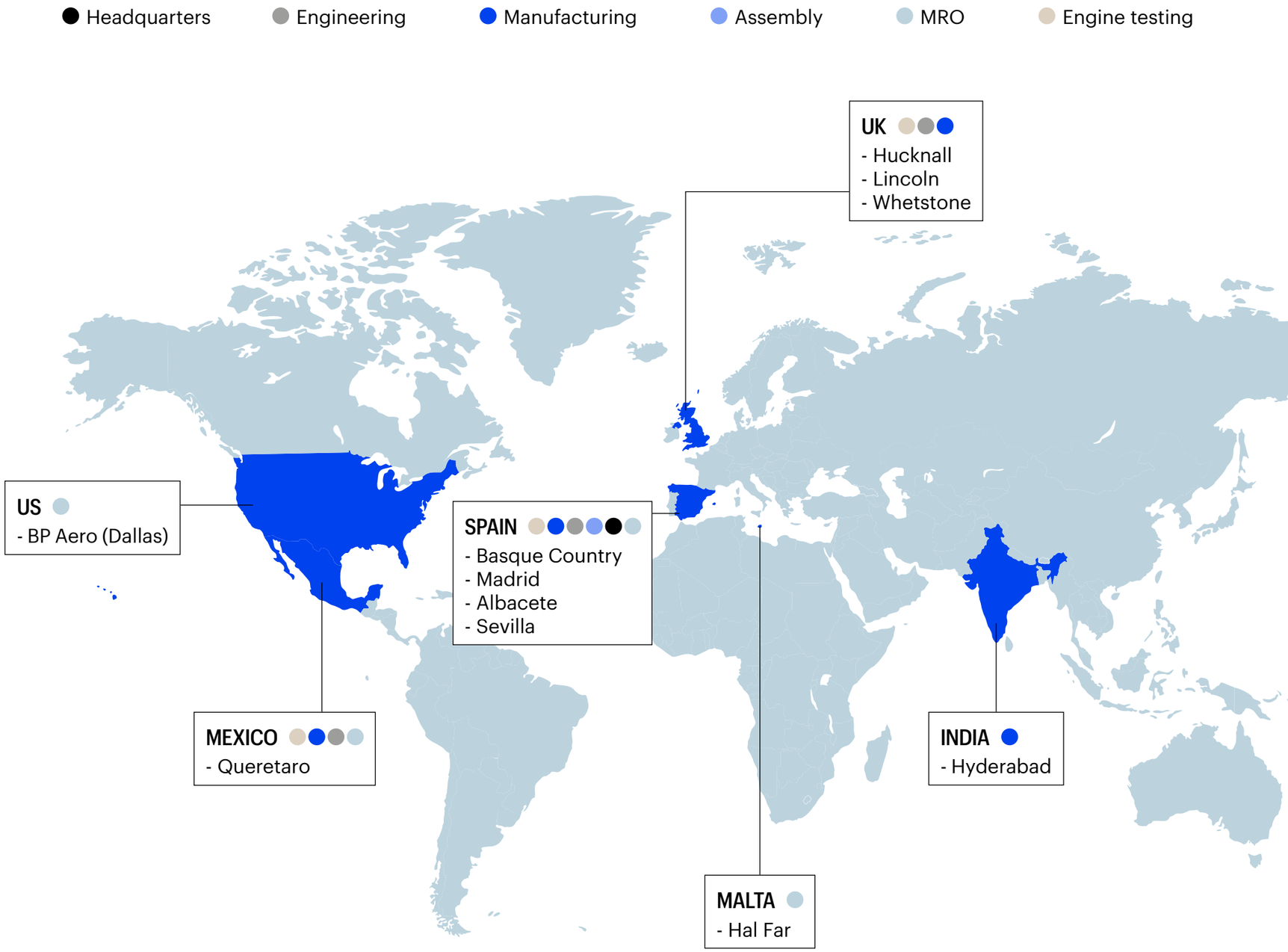
17

SITES IN 6 COUNTRIES

PIVOTAL ROLE IN **40%**

OF ALL COMMERCIAL AIRCRAFT ENGINE DELIVERIES ANNUALLY

GLOBAL PLAYER



CORPORATE STRUCTURE

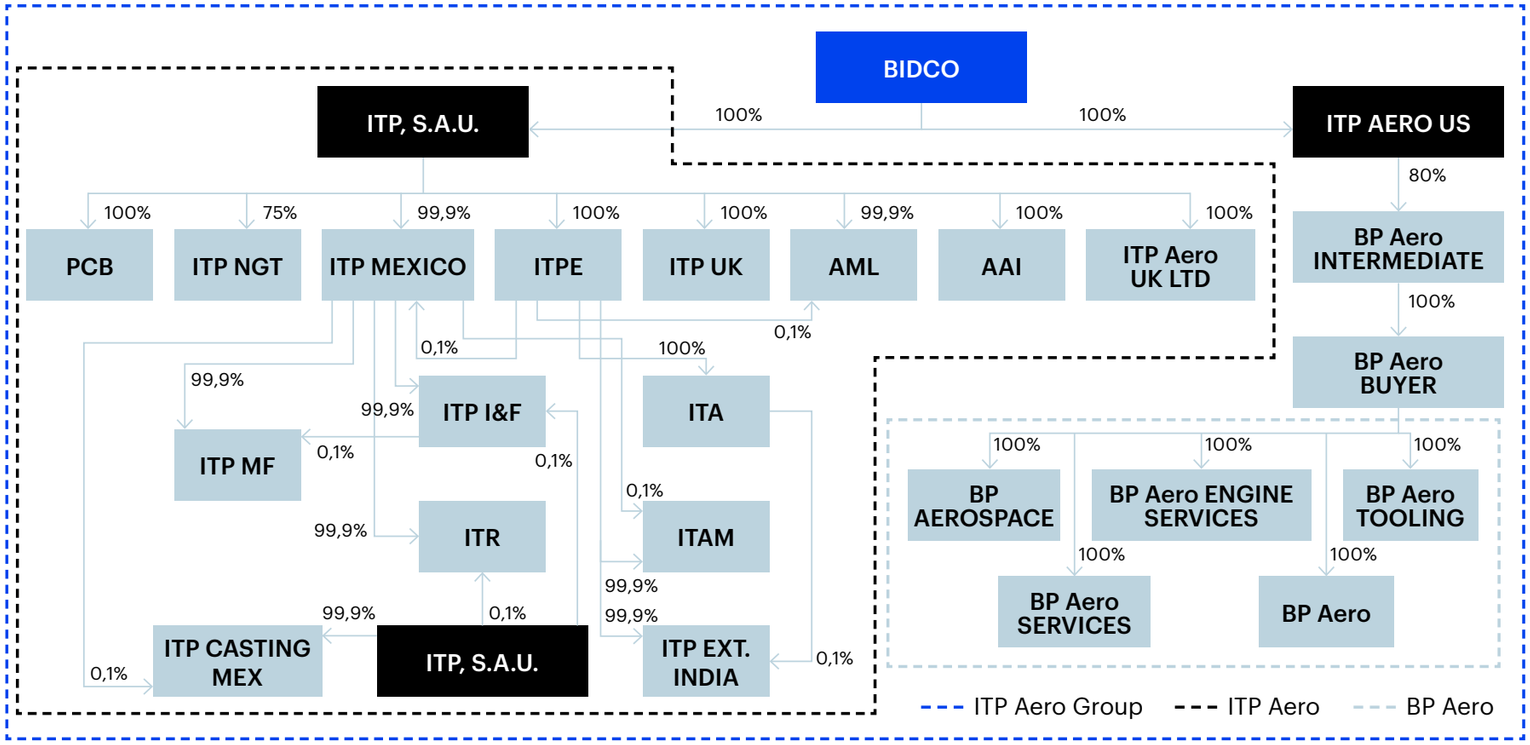
Bain Propulsión Bidco S.L., with registered office in Zamudio, Vizcaya, Spain in Technological Park, Building 300, Postal Code 48170, is the parent company of the **ITP Aero Group**. This company has 24 subsidiaries domiciled in the following countries: Spain, Mexico, United Kingdom, United States of America, Malta and India. All the companies of the ITP Aero Group operate under the brand name "ITP Aero", with the exception of BP Aero companies.

This 2024 ESG Report is the second for the company Bain Propulsión Bidco S.L. (hereinafter referred to as BIDCO).

To facilitate the understanding of this report and for the purposes of comparability and transparency, the following terms are used henceforth:

- ITP Aero Group or Group: refers to the perimeter of the company Bain Propulsión Bidco S.L. and its subsidiaries.
- ITP Aero: refers to the perimeter of the company ITP SAU and its subsidiaries.
- BP Aero: refers to the scope of BP Aerospace, BP Aero Services, BP Aero Engine Services, BP Aero LLC, BP Aero Tooling. The remaining US legal entities that are not included in the scope are instrumental.
- When referring to specific Group companies, the following nomenclature is used in the corporate structure and table of acronyms.

ITP AERO GROUP CORPORATE STRUCTURE 2024



Acronym	Company	Location
BIDCO	BAIN PROPULSION BIDCO, S.L.	Spain
ITP, SAU	INDUSTRIA DE TURBO PROPULSORES, S.A.U.	Spain
PCB	PRECISION CASTING BILBAO, S.A.U.	Spain
ITP NGT	ITP NEXT GENERATION TURBINES, S.L.U.	Spain
ITP EXT	ITP EXTERNALS, S.L.U.	Spain
ITA	INDUSTRIA DE TUBERÍAS AERONÁUTICAS, S.A.U.	Spain
ITP I&F	ITP INGENIERÍA & FABRICACIÓN, S.A. de C.V.	Mexico
ITP MF	ITP MEXICO FABRICACIÓN, S.A. de C.V	Mexico
ITP MEXICO	ITP MEXICO, S.A. de C.V.	Mexico
ITAM	INDUSTRIA DE TUBERÍAS AERONÁUTICAS MÉXICO, S.A. de C.V.	Mexico
ITR	TURBORREACTORES, S.A. de C.V.	Mexico
ITP CASTINGS MEX	ITP CASTINGS MEXICO, S.A. de C.V.	Mexico
ITP UK	ITP ENGINES UK LTD	United Kingdom
ITP INDIA	ITP EXTERNALS INDIA PRIVATE LTD	India
AAI[1]	AEROMARITIME AMERICA Inc.	United States
AML	AEROMARITIME MEDITERRANEAN LTD.	Malta
ITP AERO UK	ITP AERO UK LTD.	United Kingdom
ITP Aero US[2]	ITP AERO US, INC	United States
BP AERO INTERMEDIATE[2]	BP AERO INTERMEDIATE, LLC	United States
BP AERO BUYER[2]	BP AERO BUYER, LLC	United States
BP AEROSPACE	BP AEROSPACE, LLC	United States
BP AERO SERVICES	BP AERO SERVICES, LLC	United States
BP AERO ENGINE SERVICES	BP AERO ENGINE SERVICES, LLC	United States
BP AERO LLCC	BP AERO, LLC	United States
BP AERO TOOLING	BP AERO TOOLING, LLC	United States

[1] Non-active company.
[2] Instrumental companies with no employees as of 31 Dec 2024.

ITP AERO GROUP

COMMERCIAL AVIATION

As a world-leading partner in future flight technologies, ITP Aero Group is specialised in designing, developing, manufacturing and providing lifecycle propulsion services for aeroengines and components for commercial and defence aviation, that drive innovation, efficiency and sustainability.

During 2024, ITP Aero Group achieved 24% revenue growth compared to 2023, driven by both organic growth and the acquisition of BP Aero. In addition, the group's activity has increased by 15%.

With a 35-year track record of innovation and a growing workforce of over 5,600 professionals across 17 sites in 6 countries, ITP Aero Group plays a pivotal role in 40% of all commercial aircraft engine deliveries annually. With more than 5,000 engines in service, ITP Aero powers 6 aircraft take-offs every minute, partnering with all major engine OEMs to advance aviation globally. ITP Aero is a technology partner in 1 out of 2 engine families launched in the last 20 years.

With proprietary technology and long-standing collaborations with the industry's top OEMs: Rolls-Royce, Pratt &Whitney, General Electric and Honeywell, we are committed to creating more efficient and sustainable solutions in aviation. Our technology-driven vision focuses on advancements in ultra-efficient gas turbines, electrification, hydrogen-powered aviation, and digitalisation of processes to enhance service monitoring and lifecycle support.

Currently, 70% of the ITP Aero Group's business is concentrated in commercial aviation, 15% in defence, and the remaining 15% in the aftermarket business (MRO - Maintenance, Repair and Overhaul), a segment that plays a strategic role in the company's growth plan.

The ITP Aero Group participates in all segments of commercial aviation: widebody, single-aisle, regional, and business aviation; and develops a broad product portfolio of products on six main product lines: turbines, compressors, nozzles, radial structures, installations, outlet guides vanes and combustors.

Within the single-aisle segment, ITP Aero Group participates as a Risk and Revenue Sharing Partner (RRSP) in Pratt & Whitney's GTF™ engine programmes, the quietest, most environmentally friendly and most efficient single-aisle engine family, with more than 2,100 in more than 80 customers, exceeding 30 million engine flight hours. In addition, this engine family offers cutting-edge sustainability benefits, such as up to 75% reduction in noise footprint, up to 50% reduction in NOx emissions and up to 20% reduction in CO2 emissions.

In twin-aisle segment, ITP Aero Group is also a Risk and Revenue Partner for the entire Rolls-Royce Trent engine family, a long-standing collaboration between the two companies that began more than 30 years ago. As a result, the Group's turbines power more than half of the world's twin-aisle aircraft. During 2024, ITP Aero delivered 300 low-pressure turbines for the Rolls-Royce Trent engine family. In addition, during the year, the in-service A350 fleet powered by Trent XWB engines increased to 600 aircraft, surpassing 20 million flight hours. Also of note, during 2024 the Trent XWB-84 Enhanced performance Trent engine received EASA certification.

Regarding the new-generation engines, the Rolls-Royce UltraFan® engine, developed in collaboration with technology partner ITP Aero, has successfully completed 70 hours of full power tests during taxiing. This groundbreaking engine boasts a 10% efficiency improvement over the Trent XWB, the current benchmark for twin-aisle aircraft engines, and is 25% more efficient than the earliest models in the Trent family.

In business aviation, ITP Aero Group is responsible for the design, development, production, assembly and maintenance of the PW800 engine's low-pressure compressor and inter-turbine frame. In 2024, the Gulfstream G400 aircraft powered by Pratt & Whitney Canada PW812GA engines made its first successful flight, kicking off the G400's certification campaign. In addition, the Rolls-Royce Pearl 10X engine in which ITP Aero Group participates, and which powers the Falcon 10X, has begun flight testing, thus meeting a new milestone for the aircraft's entry into service.

In addition, ITP Aero Group is a risk and reward partner of Honeywell's HTF7000 engine family, where it is responsible for the production of low pressure turbine components and the outlet structure.

DEFENCE AVIATION

When it comes to defence engines, ITP Aero is a a trusted, long-term partner of the Spanish Armed Forces and a top-tier European player in the most relevant military engine programmes. As Spain's leading aeroengine company, ITP Aero Group is committed to ensuring excellence across the entire lifecycle of defence engines—from development and production, to maintenance— ensuring the level of flexibility and reliability our customers need.

In the Defence segment, ITP Aero is an Original Equipment Manufacturer (OEM) in the main European consortia, participating in the design, development, production, certification, service support and maintenance of the programmes:

- Eurojet consortium, EJ200 engine for Eurofighter.
- Europrop International (EPI) consortium, TP400 engine for the A400M transport aircraft.
- MTRI consortium, MTR390-E engine of the Tiger HAD helicopter.

In addition, the ITP Aero Group is the Spanish leader of the engine pillar that will power the new NGF (New Generation Fighter) aircraft within the European FCAS/NGWS (Future Combat Air System / Next Generation Weapon System) programme. This programme is a strategic project for the Group and is in a stage of intense research and development work into new generation technologies.

For the ITP Aero Group, it is a key mandate to coordinate the Spanish industry, national technology centres and universities for the development of strategic and transversal industrial and technological capabilities in propulsion, in line with the interests of the Ministry of Defence. At least 30% of all technology development work is carried out leveraging this entire value chain. Therefore, this is the most ambitious technology development project with the greatest impact on the national technological ecosystem led by the ITP Aero Group, which is expected to transform the technological and industrial map of propulsion in Spain, creating a strong and stable national ecosystem.

MRO

When it comes to MRO (Maintenance, Repair and Overhaul) services, at ITP Aero Group, offers a wide range of customised solutions and services that go beyond traditional MRO maintenance. ITP Aero Group is firmly committed to its ambition of becoming a recognised market-leading provider of innovative full lifecycle and MRO services. To this end, the company is currently engaged in its MRO growth plan, driving the expansion of its aftermarket services and the operational excellence of its maintenance and repair capabilities.

ITP Aero Group is certified by leading Original Equipment Manufacturers (OEMs) such as General Electric, Pratt & Whitney Canada, Honeywell, Rolls-Royce and Safran; as well as major authorities globally. The Group supports more than 80 operators in 40 countries across 5 continents in both fixed and rotary wing engines.

In Spain, the Group is a reference partner and leader in the maintenance of aeronautical engines for the Armed Forces, contributing to the operability of the fleets and the correct and safe execution of their missions. It should be noted that in 2024, the test bench that the company has at its facilities in Ajalvir (Madrid) began operating with SAF (sustainable aviation fuel).

PRODUCT PORFOLIO FOR ORIGINAL EQUIPMENT

Fan + Booster Module

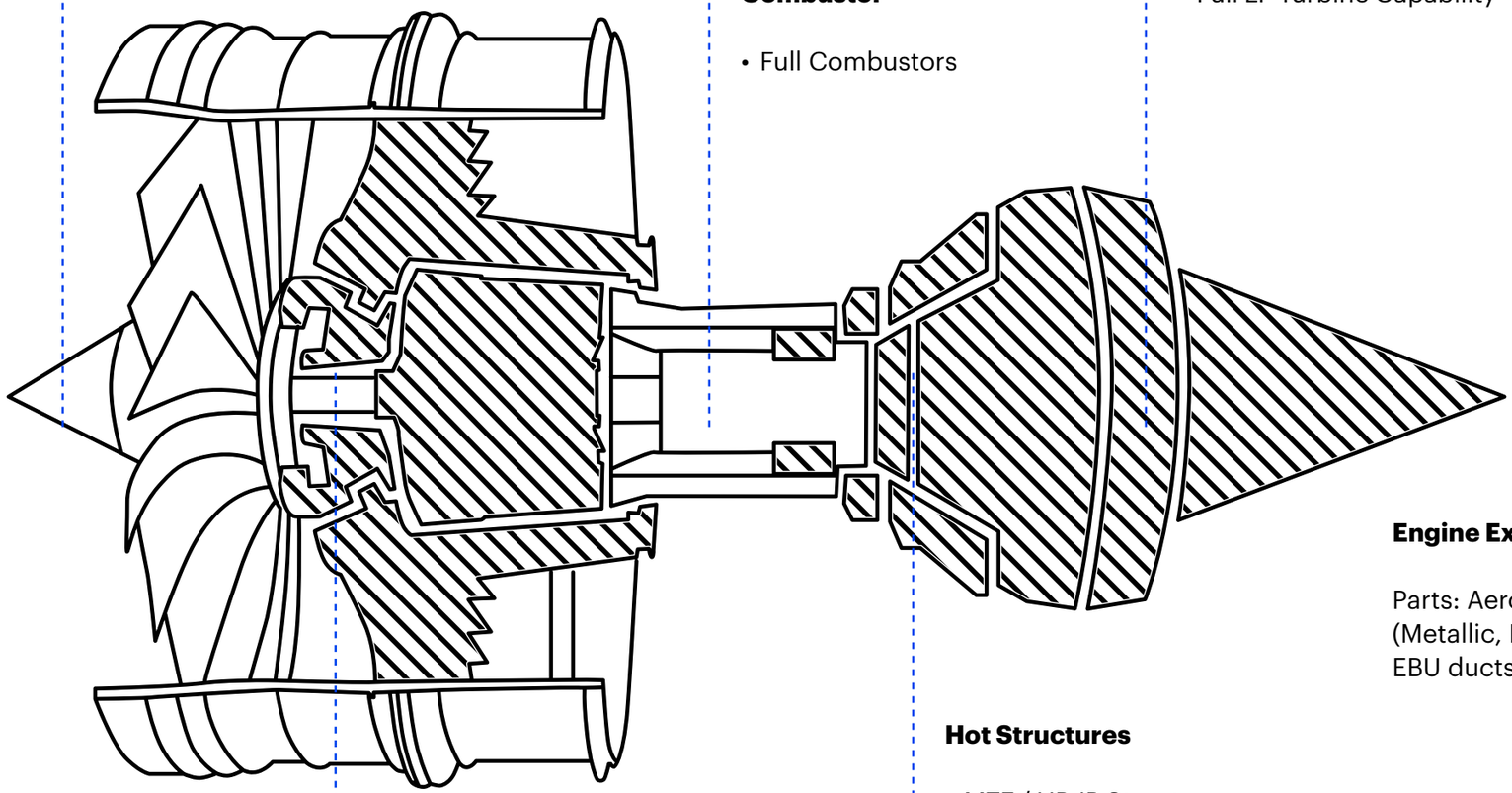
- Fan OGV´s
- Booster Module
- Front Bearing Housing

Combustor

- Full Combustors

LP Turbines

- Full LP Turbine Capability



Engine Externals

Parts: Aerostructures (Metallic, Fairings, Manifolds, EBU ducts, Tubes).

Hot Structures

- MTF / HP-IP Structure
- Tail Bearing Housing

High Pressure Compressor

- Compressor Cases
- Blisks / IBR´s /Discs

1.4. MILESTONES 2024

BP AERO ACQUISITION COMPLETED

ITP Aero Group completed the acquisition of BP Aero, a leading provider of aircraft engine aftermarket services based in Irving, Texas. This acquisition, which received the necessary regulatory approvals at the beginning of 2024, marks ITP Aero's first entry into the United States and represents a significant expansion of its Maintenance, Repair, and Overhaul (MRO) capabilities.

The acquisition is part of ITP Aero's broader strategy to enhance its global reach and strengthen its position in the aerospace aftermarket services sector. BP Aero's expertise in customer-focused repair and maintenance services will complement ITP Aero's advanced engineering capabilities and diverse portfolio of components for modern engines.

The integration of BP Aero into the ITP Aero family is expected to foster continued growth and the development of new aftermarket services for customers worldwide. This acquisition enhances ITP Aero's ability to offer comprehensive MRO services globally, driving further innovation and customer satisfaction.

MEXICO EXPANSION

ITP Aero Group expanded its operations in Querétaro, Mexico, with the inauguration of a new casting production facility and a logistics centre. This expansion represents an investment of €28 million and is expected to create up to 250 new jobs over the next three years. The growth in Mexico adds to ITP Aero's already significant presence in the country, where its workforce increased by 20% in the past year, surpassing 1,000 employees for the first time.

Since its establishment in Querétaro in 1998, ITP Aero Group has been a leader in the region's aerospace sector, evolving from providing engine maintenance services to developing advanced manufacturing capabilities for aerospace engine components. The expansion is part of ITP Aero's broader strategy to enhance its technological capabilities and continue its growth in the aerospace sector, further reinforcing the company's role as a key player in both local and global markets.

ITP AERO INCREASES COLLABORATION WITH PRATT & WHITNEY TO MANUFACTURE GTF COMBUSTORS FROM UK SITE

ITP Aero Group strengthened its collaboration with Pratt & Whitney by signing an agreement to manufacture combustors for the GTF engine family at its Hucknall site in the UK. This partnership marks a significant milestone for ITP Aero Group, particularly for the Hucknall plant, East Midlands, UK, in which its integration has led to business expansion and diversification, establishing it as a key facility in the UK for aeronautical manufacturing.

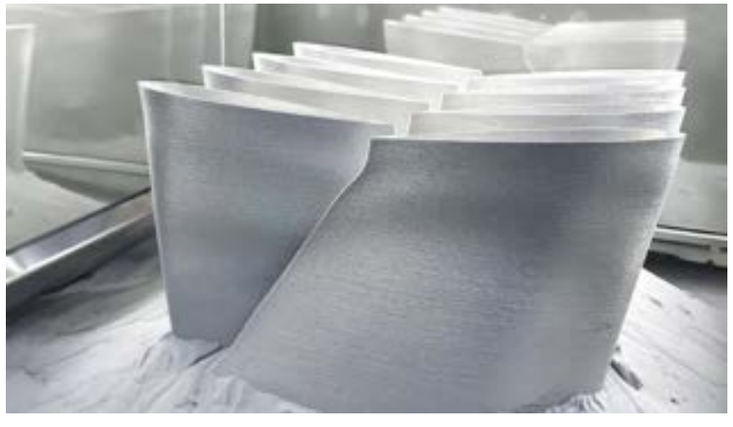
The first combustor delivery, expected in the coming months, will demonstrate the plant's enhanced production capabilities, showcasing ITP Aero's expertise in meeting the high standards set by Pratt & Whitney.

The GTF program at ITP Aero's Hucknall site is progressing smoothly, with the company aiming for full-scale production by 2025.

ITP AERO GROUP BECOMES FIRST AEROENGINE COMPANY TO OBTAIN EASA CERTIFICATION FOR AN ADDITIVE MANUFACTURED STRUCTURAL COMPONENT

The ITP Aero Group achieved a significant milestone by becoming the first aeroengine company to obtain EASA (European Union Aviation Safety Agency) and AESA (Spanish Air Security Agency) certifications for an additive-manufactured structural component. The certifications apply to the TP400 rear engine structure vanes, which were produced using additive manufacturing technology. This achievement highlights ITP Aero's pioneering role in applying advanced manufacturing techniques to produce high-temperature aviation engine components. The company has developed its own proprietary additive manufacturing standards and specifications, ensuring high-quality production and compliance with industry safety standards.

The successful certification of these components is a testament to ITP Aero's technological leadership in additive manufacturing, specifically using the selective laser fusion method, also known as industrial 3D printing. This process allows for the production of complex geometric components with minimal raw material and energy consumption, supporting the company's sustainability objectives.



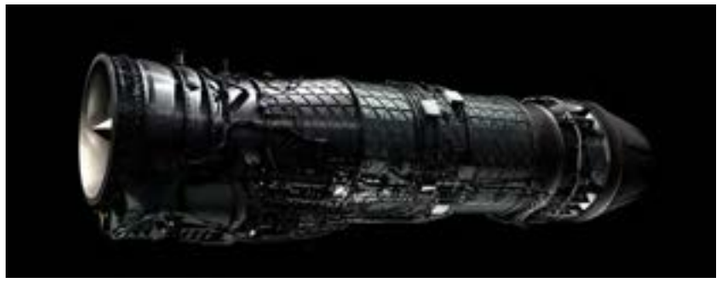
PIVOTAL ROLE IN SUPPORTING THE SPANISH AIR FORCE'S EUROFIGHTER TYPHOON FLEET

ITP Aero secured a pivotal role in supporting the Spanish Air and Space Force through its participation in a major contract with EUROJET Turbo GmbH and the NATO Eurofighter & Tornado Management Agency (NETMA). The contract, which will deliver 59 new EJ200 engines to the Spanish Air Force, is part of Spain's Halcón 2 acquisition project, aimed at enhancing the operational readiness and performance of the Eurofighter Typhoon fleet.

The agreement reflects a strong and ongoing partnership between the EUROJET consortium members—Rolls-Royce, MTU Aero Engines, ITP Aero, and Avio Aero—cementing ITP Aero's central role in the development and long-term support of the EJ200 engine.

As part of the contract, ITP Aero will oversee the final assembly of the EJ200 engines at its Ajavir facilities in Madrid, with deliveries slated to begin in 2029. This agreement ensures that ITP Aero's EJ200 assembly lines will remain operational until at least 2034, providing stability for the company's engine operations in Spain.

In late 2024, ITP Aero also delivered the first EJ200 of the Halcón 1 programme to the Spanish Air and Space Force, contract signed in June 2022 between EUROJET Turbo GmbH and the NATO Eurofighter and Tornado Management Agency (NETMA), which will supply 50 new EJ200 engines to the Spanish Ministry of Defense and Space. The delivery event took place at ITP Aero's facilities in Ajalvir, Madrid, and was attended by significant figures including the Secretary of State for Defense, María Amparo Valcarce García, and the Chief of Staff of the Air and Space Force, Francisco Braco Carbó.



SBTI NEAR-TERM REDUCTION TARGETS VALIDATION

The SBTi (Science Based Targets initiative) approved ITP Aero's near-term science-based emissions reduction targets. The validated targets will see ITP Aero work towards its commitment to reduce carbon emissions across its own operations and sold products, in line with the Paris Agreement's aim of limiting global temperature rise to 1.5ºC.

ITP Aero has committed to the following targets:

- ITP Aero commits to reduce absolute scope 1 and 2 GHG emissions 65% by 2030 from a 2019 base year.
- ITP Aero commits to reduce scope 3 GHG emissions from the use of sold products 55% per available seat kilometer by 2030 from a 2019 base year*.

**Non-CO2e effects, which may also contribute to aviation induced warming, are not included in this target. ITP Aero commits to report publicly on its collaboration with stakeholders to improve understanding of opportunities to mitigate the non-CO2e impacts of aviation annually over its target timeframe.*

These targets are related to ITP Aero's business and will be reviewed to align with the new ITP Aero Group perimeter.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

86% PARTICIPATION RATE IN THE GLOBAL "BUILDING ITP AERO TOGETHER" SURVEY

ITP Aero Group launched "Building ITP Aero Together" 2024 survey. This is a global survey aimed at all employees to capture their opinions on relevant aspects that make a difference in high performance companies.

A total of 4,814 people took part in the survey, 86% of the total workforce, which is the highest response ever obtained in a global survey of the Group. Furthermore, in terms of the eNPS or employee net promoter score, a universal index that measures the degree to which employees would recommend their company as a good place to work, for the second year in a row ITP Aero Group has an overall score among the top 25% of industrial companies worldwide.

Conducted entirely online in all countries where ITP Aero Group is present, Spain, United Kingdom, Mexico, United States and India, the survey focused on 3 main areas, these were: Our Culture, Commitment to Sustainability and Employee Experience.

1.5. RATINGS, AWARDS AND RECOGNITIONS[1]

1.5.1. Ratings

ECOVADIS

ITP Aero earned the prestigious **Platinum Medal** by EcoVadis, a global leader in business sustainability assessments. This recognition places ITP Aero within the top 1% of companies assessed by EcoVadis in 2024 globally. EcoVadis is a renowned sustainability rating and is the standard tool for aerospace sector companies, as recommended by the International Aerospace Environment Group (IAEG).

CDP CLIMATE CHANGE

In 2024, ITP Aero Group achieved a B rating (2023: B) at the ***"Management"*** level, awarded to companies that demonstrate they are taking coordinated action on climate change to minimise risks and seize opportunities. Maintaining the same performance as the previous year has been a challenge as ITP Aero Group has expanded its scope across the entire organisation and CDP requirements are constantly evolving.

CDP WATER SECURITY

In 2024, ITP Aero Group submitted its first-ever assessment for CDP Water Security, obtaining a C rating at the ***"Awareness"*** level.

More information on these assessments is available in the ESG Commitment section.

[1] The ratings, awards and certifications are differentiated by the perimeter of companies to which they correspond, so that in some cases it may be noted that reference is made to ITP Aero and not to the Group.

1.5.2. Awards and recognitions

FINANCIAL TIMES "EUROPE'S CLIMATE LEADERS 2024"

ITP Aero was recognised by the Financial Times as one of "Europe's Climate Leaders 2024", achieving a score of 70.1 and ranking 259th out of the 600 companies recognised.

The ranking recognises the European companies that have achieved the greatest reductions in their Scope 1 and 2 GHG emissions intensity- which come respectively from a company's own operations and from the energy it uses- between 2017 and 2022.

EUPD EUROPEAN TRANSPARENCY AWARDS

ITP Aero Group was recognised as one of the winners of the ESG Transparency Award 2024 by EUPD Research in the "Excellence" and "Leading Company" categories. This prestigious award highlights organisations that have embedded forward-thinking sustainability practices into their operations and communicate them transparently.

EXPANSION: TRANSITIONING TOWARDS A SUSTAINABLE ECONOMY AWARDS

ITP Aero Group was honored as a winner at the IX Edition of the Awards for Transitioning Towards a Sustainable Economy, organised by the Spanish newspaper Expansión. Specifically, the company was recognised with the award for the Best Transition Plan to achieve the "Net Zero" target before 2050 in the Large Company category.

BUSINESS MERIT AWARD

ITP Aero Group´s facilities in Querétaro (Mexico) received in 2024 the 2023 Business Merit Award in the Foreign Trade category, the highest recognition awarded by the State Administration of Querétaro. Iñaki Bilbao, Head of Engineering and Production at the ITP Aero site in Mexico, received the award from Mauricio Kuri, Governor of the State of Querétaro, and Marco del Prete, Secretary of Sustainable Development, at Casa de la Corregidora in Querétaro.

2024 HEROES ROLE MODEL LIST

Eva Azoulay, CEO of ITP Aero Group, was recognized as part of INvolve's 2024 Heroes Role Model Lists, supported by YouTube. This initiative honours business leaders who are championing inclusion for women in the workplace. The award highlights Eva's commitment to fostering a diverse, equitable, and inclusive culture at ITP Aero Group.

DIVERSITY LEADING COMPANY 2024

ITP Aero was awarded the Diversity Leading Company 2024 stamp by the specialised media 'Equipos & Talento' for our commitment to promoting a diverse, equitable and inclusive culture that fosters a creative environment and creates opportunities for all. We also joined the Empowering Women's Talent programme, which aims to promote female talent and create equal and inclusive working environments.

2. ESG COMMITMENT

2.1. ESG AT ITP AERO GROUP

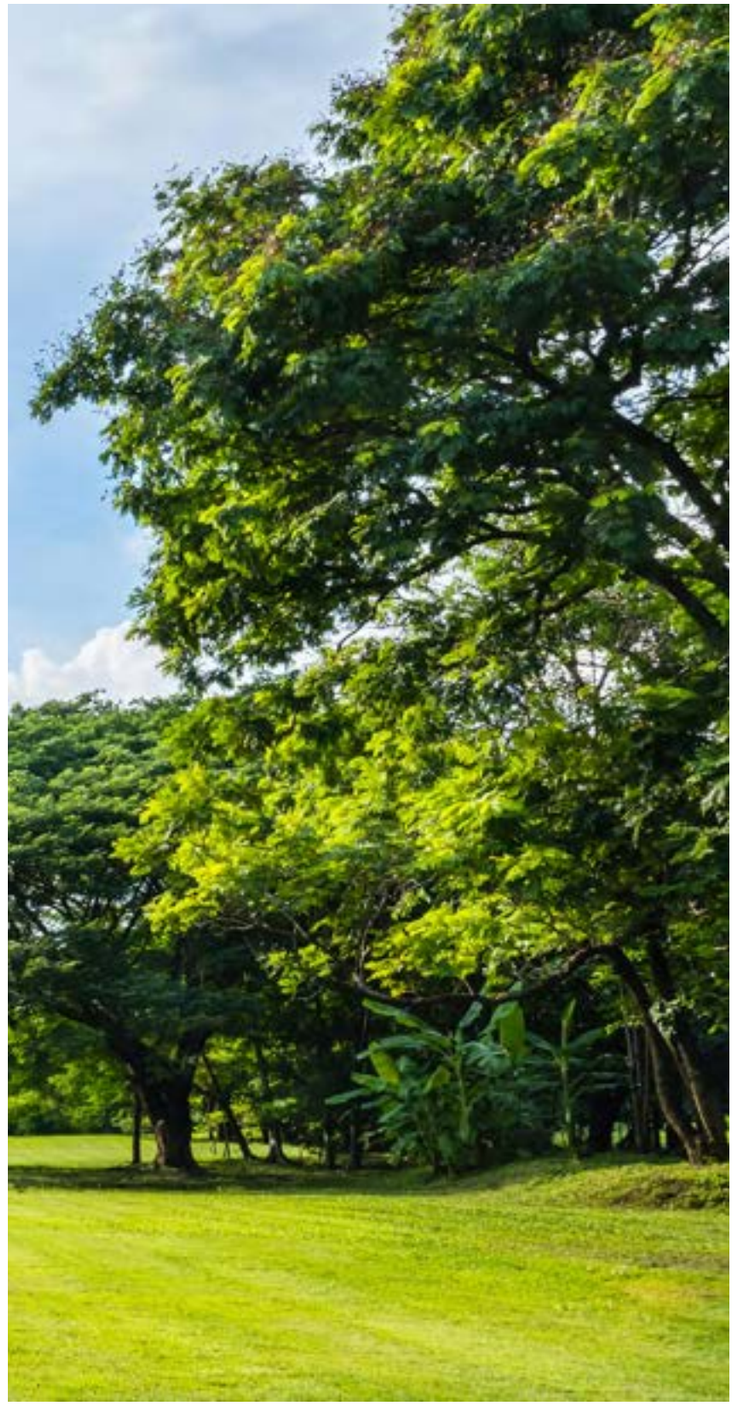
ESG (Environmental, Social and Governance) refers to the three fundamental pillars that determine the sustainability of a company, encompassing the integrated management of economic, environmental, social and governance elements.

In ITP Aero Group's strategy, the company strongly embodies and integrates its commitment to sustainable development. We recognise the importance of sustainability to our stakeholders, its fundamental role for the aviation industry and have integrated ESG aspects into our company strategy, in line with ITP Aero Group's purpose: "Together, find better ways to power flight and keep its magic alive".

Aware of the challenges facing our industry and their impact, ITP Aero Group aims to be part of the solution and lead by example. And to fulfil this commitment, the Group has developed its ESG strategy, based on the ESG model linked to the Sustainable Development Goals (SDGs) and the materiality matrix, identifying the priorities on which to move forward in the coming years and defining specific targets to achieve this end.

During 2024, these have been ITP Aero Group's achievements:

- Advancing in the fulfilment of the ESG strategic objective established in 2023.
- Consolidating and reinforce ESG governance through new management mechanisms and policies[2].
- Progress in adapting to the new requirements derived from the CSRD, Corporate Sustainability Reporting Directive.
- Receiving significant recognitions from third parties as well as sustainability ratings.
- Incorporating BP Aero's business into the ITP Aero Group's ESG report for the first time.
- Becoming a **Full Member of the International Aerospace Environmental Group (IAEG)**, reaffirming our commitment to sustainable development and industry leadership.



[2] For more information on the ESG Strategy and Objectives see details in section 2.1.3.

2.1.1. Our ESG model

ITP Aero Group's ESG model, developed in 2022 by a multi-disciplinary working group, is based on **6 pillars:** products, operations, supply chain, local communities, people and governance, which represent the vectors that the company aims to transform, aligned with 13 of the 17 **Sustainable Development Goals (SDGs).** It also includes the **15 elements** that are relevant to ESG for the Group, defined by taking into account its characteristics, those of the sector, size, activities and sites where it operates, among other aspects.

The ESG Model of ITP Aero Group is shown below.

PILLARS

- **PRODUCTS**
- **OPERATIONS**
- **SUPPLY CHAIN**
- **PEOPLE**
- **LOCAL COMMUNITIES**
- **GOVERNANCE**

SDGs

ELEMENTS

- **Climate Change**
- **Pollution and Waste**
- **Circular Economy**
- **Product Innovation**
- **Product Safety**
- **Prosperity**
- **Human Right**
- **Employee Well-Being & Safety**
- **Diversity, Equity & Inclusion**
- **Skill for the future**
- **Corporate Governance**
- **Integrity and Compliance**
- **Risk Management**
- **Transparency to Stakeholders**
- **Privacy & Cybersecurity**

Once defined the ESG model, a materiality analysis was carried out based on the relevance of the 15 ESG elements of the Group and its stakeholders, for which a consultation with key stakeholders was launched, as described in the Materiality Analysis section.

[2] For more information on the ESG Strategy and Objectives see details in section 2.1.3.

2.1.2. ESG Governance

ITP Aero Group's Governance Framework is continuously being refined to ensure the its policies, processes, procedures, risk management, compliance mechanisms, certifications, and reporting are effective and adapted to the Group's continually evolving organization and scope. The Code of Conduct and associated policies, as well as the Supplier Code of Conduct, summarise the essence of the principles to which the ITP Aero Group is committed, and which are approved by the Board of Directors.

The ESG organisational unit, headed by the Head of ESG, is part of the Strategy and Sustainability Executive Directorate. This unit is responsible for leading the definition and implementation of the ESG Strategy, collaborating with those responsible for each of the ESG elements according to the established governance model.

In 2024, governance of ESG issues has been significantly strengthened under the leadership of the Executive Committee and shareholders.

Approach	Chair	Participants	Frequency	2024
Strategy and Monitoring	Board of Directors	CEO, Executive Director of Strategy and Sustainability	Bi-Annual	2 reviews: Approval of ESG Report and progress review
Monitoring	Audit Committee	Executive Director of Strategy and Sustainability, Head of ESG	Bi-Annual	2 Reviews: CSRD adaptation and review progress
ESG Roadmap	Executive Director of Strategy and Sustainability	Executive Committee, Head of ESG, Heads of ESG Workstreams	Quarterly	4 Committees held
Net Zero Roadmap	Executive Sponsors & Net Zero Team	Executives (Sustainability, Operations, Ing&Tec) and Heads of ESG, Group Property, Ing&Tec	Quarterly	4 Committees held
ESG Supply Chain	Executive Sponsor, Supply Chain Team	Executive Director of Supply Chain, Head of Supply Chain Development, Head of ESG, Commodities	Quarterly	4 Committees held
Implementation of ESG Strategy	Head of ESG	ESG Workstreams	Quarterly	At least 4 sessions held

ESG Workstreams													
Net Zero	Product	Environment	DEI	Employee Engagement	Human Rights	Health & Safety	Local Communities	Governance	Compliance	Security	Supply Chain	ESG	Sustainable Growth

ESG global and company wide focus areas are governed through fourteen workstreams, which address the risks and opportunities arising from all ESG elements. The teams responsible for Environment, Property, Engineering and Technology, Human Resources, Talent and Culture, Human Rights, DEI, Health and Safety, Local Communities, Ethics and Compliance, Corporate and Internal Governance, Security, Supply Chain, Risks, ESG, Strategy and Finance lead the implementation plans and are accountable to achieve the targeted objectives. During 2024, a workstream dedicated to Human Rights was created with the objective of developing ITP Aero Group's Human Rights strategy and design the necessary processes to ensure compliance with CSRD and CSDDD regulations, among others, the first step in this workstream will be to complete an exercise to identify the risks and negative impacts of human rights in the value chain.

As part of the model, activities, responsibilities and accountability aspects have been defined for each of the roles underpinning the model: each workstream has a sponsor, who is a member of the Executive Committee, and a main leader. In addition, there may be other area leaders, who oversee the various initiatives carried out in the workstreams.

This model is also used to develop ITP Aero Group's ESG Plan, which aims to implement the strategy. This model further ensures that all ESG elements are addressed, and that there is alignment with the Group's Purpose as well as consistency in terms of how objectives, action plans, priorities and other aspects are put in place.

In addition, ITP Aero Group's governance mechanisms ensure that each of the ESG elements are managed by the responsible function in the various decision-making forums such as the Net Zero, Environment, People, Health and Safety, Compliance or Safety, Supply Chain committees, among others.

DEFINITION AND MONITORING OF ESG STRATEGY

ESG is a priority for the company, and since 2023, the ESG strategy has been part of the Group's strategic plan and is aligned with the company's new purpose.

The purpose and strategy, including the ESG strategy, were defined by the Executive Committee and approved by the Board of Directors of ITP SAU in December 2023 and rolled out across the organization through 2024.

UPDATING THE CODE OF CONDUCT AND GLOBAL POLICIES

In 2024 the Board of Directors approved updates to the following policies that apply to the entire ITP Aero Group:

- Environmental Policy
- Health and Safety Policy
- Social Investment Policy
- Lobbying and Political Relations Policy
- Product Safety Policy
- Information Security Policy
- Quality Policy

Furthermore, in 2024, a Modern Slavery Statement was published, reporting on the measures being taken to prevent and combat modern slavery in operations and in the supply chain.

INCENTIVES

ITP Aero Group has an Objective Model as an incentive and remuneration instrument, integrating financial, ESG and other strategic objectives. This model determines the variable remuneration of non-unionised employees (those whose remuneration is managed outside the collective agreement).

The model consists of Global Objectives, which apply to all ITP Aero Group employees, and Area Objectives of this collective, specific to the performance of the area, based on their responsibilities.

Global Objectives (70%)		Area Objectives (30%)
Global Financial Objectives	Global Company Objectives: aligned with the strategic drivers	Area Objectives
40%	**30%**	**30%**

In 2024, within the Company Objectives framework, a section is included related to the driver “We care for People and the World Around Us”, with a weighting of 15% and a section related to the driver “Future Flight Technologies” with a weighting of 20%. This means that ESG objectives represent 10.5% of the total global objectives of the ITP Aero Group in 2024, of which 4.75% are related to Climate Change objectives.

The annual bonus payment is subject to reaching these targets, and for this group of employees, the bonus represents between 4% and 30% of their base salary.

ADAPTATION TO NEW REGULATIONS AND STANDARDS

- **EU Directive 2022/2464 on Corporate Sustainability Reporting:** According to the OMNIBUS regulatory package proposed in February 2025 by the European Union, the CRSD directive will apply to the ITP Aero Group starting in 2027 financial year. However, during the year 2024, the Group has been preparing to adapt to the new reporting standards (ESRS) proposed by the CSRD. To this end, a double materiality analysis has been carried out, which will be the starting point for a future sustainability report adapted to CRSD. In addition, a gap analysis has been carried out to compare the degree of compliance and the need for adaptation of the Group with the CSRD, considering the information currently reported and the new requirements.

- **EU Regulation 2020/852 on EU Taxonomy:** During 2024 a preliminary analysis was carried out of the main and secondary economic activities of the ITP Aero Group that could be considered sustainable according to the European Taxonomy.

- **EU Regulation 2023/956 establishing a Carbon Border Adjustment Mechanism (CBAM):** The specific nature of ITP Aero Group’s activities means that it is subject to CBAM. This initiative proposed by the European Union imposes a price on carbon emitted during the production of goods imported into the EU. The aim is to encourage the reduction of emissions beyond EU borders. ITP Aero Group, as an importer and exporter of affected goods, is working both internally and with its suppliers, on a robust methodology and due diligence processes to ensure the collection and reporting of the required data in the quarterly reports.

RISKS

The risks relating to the various ESG elements are managed in accordance with the Corporate Risk Management process, which is described in the related section of this report. The risks relating to the ESG function have been identified and assessed in 2024 in accordance with this process.

In addition, ITP Aero Group is conducting a Climate Change Risks and Opportunities assessment. This exercise encompasses physical risks (both acute and chronic), considering the financial impact that a changing climate, for example, floods or extreme weather events, could have on our business. It also includes transition risks, understood as the financial losses resulting directly or indirectly from the adjustment process towards an environmentally sustainable and low-carbon economy.

During 2024, progress has been made in identifying physical and transitional risks and opportunities relevant to ITP Aero Group and value chain.

This exercise requires a scenario analysis to assess ITP Aero Groups´s exposure and likelihood of the identified risks materialising. For the scenario analysis, existing scenarios, such as those proposed by the IPCC, are being considered, as well as specific scenarios defined by the Strategy team, adapted and tailored to ITP´s business.

During 2025, the exercise will be completed by assessing the quantitative or qualitative impact of risks and opportunities on each of the Group´s assets and geographies, as well as across the prioritised time horizons and scenarios.

All of these efforts will strengthen the management of climate risks and opportunities, ensuring a better alignment to reference standards and norms such as the TCFD or the ESRS E1 Climate Change. Additionally, these measures will enhance the resilience of the ITP Aero Group to face potential climate events.

2.1.3. ESG Commitment and Strategy

ITP Aero Group has been working on the ESG 2027 strategy since 2023. This strategy is part of the Group's strategy and embodies its commitments to a more sustainable future, protecting the environment, having a positive impact on society and exercising good governance.

In line with the company's Purpose and ITP Aero Group's ambition to become a world-class benchmark in sustainability, the ESG strategy is based on 10 strategic lines of action:

Environment

Decarbonise our industry and reduce our environmental footprint leading by example:

- Develop the Net Zero Action Plan to reduce CO2 emissions, produced directly or indirectly by our operations and products and defining short- and long-term targets.
- Improve our products and services, develop future flight technologies and support sustainable aviation fuels (SAF) to contribute to a more sustainable aviation industry.
- Active collaboration in regional, national and international industry initiatives focused on reducing emissions from air transport and jointly developing sustainable future-flight technologies together.
- Develop internal operations and activities in a responsible mann.

Social

Be a great place to work, ensuring equal opportunities and making a positive contribution to the communities where we operate.

- Create a safe working environment and working conditions that ensure equal opportunities and the professional and personal development of all employees.
- Contribute to communities to achieve positive growth and development.

Governance

Act ethically and responsibly following best practices, internally and across the value chain.

- Ensure that we comply with regulations and follow international best practices in ethics, compliance, transparency and good governance.
- Work together with our external supply chain to foster a sustainable value chain.

ESG

Be a reliable top sustainability aeropace company.

- Obtain ESG ratings for ITP Aero Group and be positioned as a top sustainability aerospace company.
- Ensure that ITP Group acts with transparency with stakeholders and follow international best practices in reporting.

ESG PRIORITIES AND STRATEGIC OBJECTIVES:

Taking into account materiality, the sector´s challenges, its commitments and the ten strategic action lines, which form part of its ESG strategy, in 2023 the ITP Aero Group outlined its priorities and objectives for the coming years.

Positive trend Target in progress Under target expectations

ESG STRATEGIC OBJECTIVES	STATUS	2024 PROGRESS
ENVIRONMENT		
Climate change: CO2 emissions		
• Reduce absolute Scope 1&2 GHG emissions vs 2019 baseline: 65% by 2030 vs 2019 baseline. Baseline 2019: 17,447 tn, of ITP Aero.[1] This objective will be updated to be aligned with the new perimeter of ITP Aero Group.		• 2024 closes with 10,467 tn of CO2e emissions from ITP Aero which represents a 40% reduction of GHG emission in scope 1&2 with respect to the 2019 base line. • ITP Aero Group's total Scope 1 and 2 emissions amounted to 12,878 tn CO2e.[3]
• Reduce 55% in Scope 3 greenhouse gas (GHG) emissions from the use of products sold per available seat kilometre by 2030 by 2030 vs 2019 baseline.[1,2] Baseline 2019: (commercial aviation): 1.69 gCO2e/ASK in Business As Usual (BAU) scenario/1.51 gCO2e/ASK in a increase of the availability of sustainable aviation fuel (SAF) scenario.[1]		• During the process for the validation of the objectives by SBTi, the definition of this objective has changed from the one initially proposed.[4] • 2024 closes with 0.84 grCO2 per ASK, which is a reduction in line with the 2030 goal. Emissions (weighted ITP share) over the entire engine life associated with ITP delivered engines in 2024 are a 44% reduction from the 2019 baseline.
• Reduce GHG emissions scope 1,2,3 vs 2019 baseline: 90% by 2050.		• Progress has been made in the calculation of Scope 3 emissions and their automation.
• Define by 2025 a strategy on SAF, sustainable aviation fuels.	**New objective.**	
Climate change: Product innovation		
• Define ITP methodology/criteria to measure R&T and R&D across more sustainable programs, new sustainable technologies (hybrid-electric, hydrogen...) and environmental efficiency for our products in 2024.Calculate baseline and define targets by 2024. This objective is remains in 2025. Once the indicators have been agreed, the strategy will be defined in relation to R&T and R&D on sustainable products.		• Methodology defined according to EU Taxonomy and best practices. Key performance indicator definitions are ongoing. A new objective on the development of sustainable technologies has been defined.
• Develop technology for ultra efficient next-gen engines (Ultrafan), electric-hybrid propulsion and hydrogen combustion propulsion. Define a plan with milestones to be implemented in 2025-2027.	**New objective.**	

[1] SBTi approved.
[2] Non-CO2e impacts, which can also contribute to aviation-induced warming, are not included in this target. ITP Aero Group commits to publicly report, during the period of its target, on its collaboration with stakeholders to improve understanding of opportunities to mitigate non-CO2e impacts of aviation.
[3] See more detail in section 3.1.1 Net Zero Carbon Strategy.
[4] SBTi's initial target: Reduce GHG emissions from commercial aviation scope 3 - category 11 Use of Products Sold - by 30% per ASK (Passenger Seat Kilometre) by 2030 compared to the 2019 baseline. Baseline 2019, commercial aviation baseline: 1.69 gCO2e/ASK in Business As Usual (BAU) scenario / 1.51 gCO2e/ASK in increasing availability of sustainable aviation fuel (SAF) scenario.

ESG STRATEGIC OBJECTIVES	STATUS	2024 PROGRESS
Environmental impact		
• Reduce waste directed to disposal5: rate 15% by 2030. Baseline 2022: 20%. This objective has been updated to be aligned with the new perimeter of ITP Aero Group. • Objective 2025: Reduce waste directed to disposal rate to 30%, which represents a 2% reduction from the baseline. Baseline 2024: 32%.		• Deviation in the target because an incorrect classification of certain wastes (in Mexico and Hucknall) was detected. The baseline has therefore been corrected and recalculated and a new objective was defined. Updated baseline: 32%, corresponding to 2024.
• Analyse the impact of growth to 2027 on total and per site waste generation and define reduction target in 2024. Objective 2025: Not exceed 7,700 tn of total waste in 2025, considering projected growth. Baseline 2024: 6,400 tn.		• Baseline set (2024) globally and per site: 6,400 tn. • It has been estimated how waste generation varies with the increase in activity, which differs in each site and a new objective has been set.
• Conduct a water use audit, calculate baseline and define targets for improvement in 2024. Baseline 2024: 272.86 Ml. Objective 2025: Define by 2025 the global roadmap to ensure that water withdrawal does not exceed 327Ml, considering projected growth.		• Water audit was carried out in Zamudio. Measures have been identified for Zamudio and for other sites. • Baseline set globally and per site (2024). Baseline 2024: 272.86 Ml. A new objective is established.
• Increase coverage of the management system (ISO 14001 and EMAS). • Objective 2025: Including BIDCO and Castings Mexico 14001 certified and EMAS register in Derio.	**New objective.**	

[5] Disposal: Any operation that is not recovery, even when the operation can have energy recovery as a side effect.

ESG STRATEGIC OBJECTIVES	STATUS	2024 PROGRESS
SOCIAL		
Diversity, Equity & Inclusion (DEI)		
• Presence of 25% women including all leadership levels by 2027. Baseline 2022: 22.9%		• 2024 closes with 23.2% of women in leadership positions which is 1,3% above the baseline and a 4% improvement over 2023.
• Perform assessment of DE&I maturity in the Company in 2024 and based on the assessment define DEI plan for the coming years, globally and per country. The objective for the period 2025-2027 is to implement DEI plan.		• DEI maturity assessment has been carried out and an action plan for the coming years has been defined. The actions planned for 2024 have been initiated. Employee perception of DEI improved by 3 points.
Employee engagement		
• Achieve an excellent[1] Employee Net Promoter Score by 2027: above the 25% top in the industrial sector. Participation target: 85%		• Participation has been over target, achieving 86%. ITP Aero Group's eNPS is over top 25% in industrial sector.
Health & Safety		
• HS system with 100% coverage by 2025.[2]		• 100% coverage of H&S system in 2024.
• Reduce rate of incidence (TRI)[3] to 0,34 by 2027. Baseline 2022: 0.47. This objective will be updated to be aligned with the new perimeter of ITP Aero Group.		• TRIR 2024: 0,307. Good result, remains below the baseline and shows a clear positive trend.
Positive Impact on Community		
• Update the Social Investment Policy and the Strategy on Local communities by 2024. Based on the strategy, define KPIs and targets to implement during the 2024-2027 period.		• Succesful update of the Social investment policy during 2024. The Local Communities Strategy 2025-2027 is in progress, with 70% progress at the end of 2024.

[1] Excellent: Above the top 25% in the industrial sector.
[2] H&S system coverage: focused on legal compliance control and the appropriate management of accidents and incidents.
[3] Incident rate definition according to ESRS S1-14 standard.

ESG STRATEGIC OBJECTIVES	STATUS	2024 PROGRESS
GOVERNANCE		
Corporate Governance		
• Define a plan to implement the Corporate Governance Strategy for the period 2024-2027. The objective for the period 2025-2027 is to implement the defined plan.		• Defined an action plan that includes actions related to the different aspects of Governance for the coming years. Good progress in the actions planned for 2024.
Integrity and Compliance. Anticorruption		
• ITP Aero Group Ethics and Compliance system with 100% coverage by 2024. This objective remains in 2025. It will be updated to be aligned with the new perimeter of ITP Aero Group.		• The ITP Aero Group has a Compliance System that covers 100% of the company. It is a Global Program implemented in the parent company BidCo and in other companies of the group.
• Compliance management system certified in all material sites: ITP Aero UK in 2025. 3 years plan for any other material site.		• ITP Aero developed the Compliance Program at ITP Aero UK during 2024 (defining the risks and identifying the controls that ITP Aero has in the UK) to include UK companies in the certification during 2025.
• New Code of Conduct in 2025, with 95% employee adherence by 2026.	**New target.**	
Sustainable Procurement		
• Define a criteria to assess the supply chain regarding ESG matters and define a Sustainable Procurement Strategy and the operating model to implement by 2027.		• Sustainable supply chain action plan in progress. In addition, in 2024 we successfully completed an ESG assessment programme of a representative sample of 24 suppliers, achieving 83% participation.
• Adherence of the suppliers to the ITP Aero Code of Conduct for partners.		• Incorporated supplier adherence to the Code of Conduct in quality system audits and online ESG assessments. • 100% of the suppliers participating in the ESG assessment program have confirmed their awareness of ITP Aero's Supplier Code of Conduct and their adherence or alignment with their own code of conduct. In addition, 62% of the evaluated suppliers have specific clauses on the Code of Conduct, as well as environmental and social clauses incorporated in their contracts."

ESG STRATEGIC OBJECTIVES	STATUS	2024 PROGRESS
ESG		
ESG ratings		
• EcoVadis score: platinum in 2025. The objective for the coming years is to consolidate and maintain platinum.		• EcoVadis 2024: Platinum medal. 91/100. Top 1% of companies assessed in Ecovadis.
• CDP: first submission in 2023. Define target score in 2024. In 2025 the objective is to consolidate B in Climate and define medium-term ambition.		• Assessment and CDP Climate Change action plan developed. In addition, in 2024 the CDP Water Security assessment was conducted. 2024 score: Climate B, Water C.
• Obtain an third ESG rating in 2024.		• First S&P CSA evaluation performed.
Reporting and transparency		
• Sustainability Report according to the recognized standards and best practices.		• During 2024, several projects have been carried out to advance CSRD and EU Taxonomy readiness.
• Define an ESG communication Strategy by 2025 and a ESG communication plan for the period 2025-2027.	**New objective.**	

ADHERENCE TO EXTERNAL INITIATIVES

The United Nations Global Compact is the world's largest voluntary corporate sustainability initiative, based on ten universal principles in the areas of human rights, labour, environment and anti-corruption. It also encourages member companies to take action to implement the Sustainable Development Goals and to report their progress publicly (COP).

ITP Aero was a co-founder of the Global Compact Spain, the Spanish office of this Initiative.

During 2024, the ITP Aero Group completed its participation in the Climate Ambition Accelerator programme and its participation in two programmes to be developed in 2025 has been confirmed: the Business & Human Rights Accelerator and as a Driving Company in the Training Programme: Sustainable Suppliers.

In 2021, ITP Aero joined the UN "Race to Zero" campaign through the "Business Ambition to 1.5 ºC" programme, committing to reduce emissions by setting science-based emission reduction targets, hand in hand with SBTi, across the entire value chain.

ITP Aero is managing this commitment through the Net Zero project. In 2024, the Science Based Targets initiative (SBTi) approved ITP Aero's short-term emissions reduction targets. This validation means ITP Aero will work to reduce carbon emissions in its own operations, value chain and products sold, in line with the Paris Agreement objective of limiting the global temperature rise to 1.5ºC.

ITP Aero Group is aware of the environmental impact of the use of its systems. For this reason, since 2023 the ITP Aero Group has signed an endorsement for Sustainable Cybersecurity. Cyber green proof.

This pact seeks to promote practices and measures that foster online safety, while adhering to the principles of sustainability, thus recognising the need to protect the environment and to strike the right balance between technological development and the preservation of the environment.

At ITP Aero Group, we understand the challenges facing our industry and their impact. For us, collaboration through strategic alliances is essential, which is why in 2024 we have joined the International Aerospace Environmental Group (IAEG) as a Full Member. Reaffirming our commitment to sustainable development and leadership in the industry.

IAEG provides a forum for the aerospace and defence sector to develop standards and solutions to the regulatory and environmental challenges facing companies in the sector. For more than 10 years, IAEG members have worked together to address climate change, engage the supply chain and promote environmental sustainability.

2.1.4. ESG ratings[2]

As part of our commitment to transparency and improving our ESG performance in 2024, ITP Aero participated in three sustainability rating processes.

ECOVADIS:

ITP Aero has been reassessed in 2024 and has obtained a "platinum medal" from Ecovadis, placing it in the top 1% of companies assessed in 2024. The overall score was 91 out of 100 (2023: 71 - Gold Medal). The score is based on policies, actions, certifications and results in four pillars: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

CDP CLIMATE CHANGE:

ITP Aero Group has achieved a B rating in 2024 (2023: B), at the ***"Management"*** level, which is awarded to companies that demonstrate that they are taking coordinated action on climate change to minimise risks and seize opportunities. Maintaining the same performance as the previous year has been a challenge as ITP Aero Group has expanded its scope across the entire organisation and CDP requirements are constantly evolving.

CDP WATER SECURITY:

In 2024, ITP Aero Group submitted for the first time, in the assessment for CDP *Water Security*, obtaining a grade of C, ***"Awareness"*** level.

The integrated CDP Climate Change and CDP Water Security 2024 questionnaire was registered on the CDP platform under the name of Bain Propulsión Bidco S.L.

S&P CSA:

In December 2024, the ITP Aero Group completed the S&P Global Corporate Sustainability Assessment (CSA). This assessment encompasses three key dimensions: Governance-Economic, Environmental and Social. The CSA is widely used by investors and provides a comprehensive view of our sustainability. The results of the CSA will allow us to assess our current performance and strengthen our improvement plans. This information is fundamental for our sustainability reporting as it guides us in creating sustainable value for all our stakeholders.

[2] The ratings, awards and certifications are differentiated by the perimeter of companies to which they correspond, so that in some cases it may be noted that reference is made to ITP Aero and not to the Group.

CERTIFICATIONS:

Given the ITP Aero Group's long history of looking after aspects related to the environment, society and governance, the Group has management systems that are certified by an independent entity. This demonstrates the commitment to ESG standards, the implementation of robust processes that ensure adequate management of risks and opportunities, as well as tools for continuous improvement.

Among the most relevant certifications in sustainability issues are Environment (ISO 14001 and EMAS); Health and Safety (ISO 45001); Criminal Compliance (UNE 19601) and Anti-bribery (ISO 37001); Product Safety (DOA Part 21J; POA Part 21G and as MOA Part 145) and Quality (AS9100, AS 9110, ISO 9001, PECAL 2310).

The management system certifications available in 2024 correspond to the ITP Aero perimeter, except for the ISO45001 certification, which extended its perimeter in 2024 to include BIDCO.

In 2024 all certifications have been renewed and additionally new certificates have been obtained:

- ISO 27001 for Information Security Management Systems.
- EMAS registration for the Sestao centre.

2.1.5. ESG Awards and Recognitions

In 2024, ITP Aero received several awards:

- Financial Times "Europe's Climate Leaders 2024".
- EUPD Research: European ESG Transparency Award 2024.
- Expansion Prize: Transformation towards a Sustainable Economy for its Net Zero Strategy.
- INvolve's 2024 Heroes Role Model List.
- Diversity Leading Company 2024.

For more details go to section: 1.5.2 Awards and recognitions.

2.2. MATERIALITY ANALYSIS

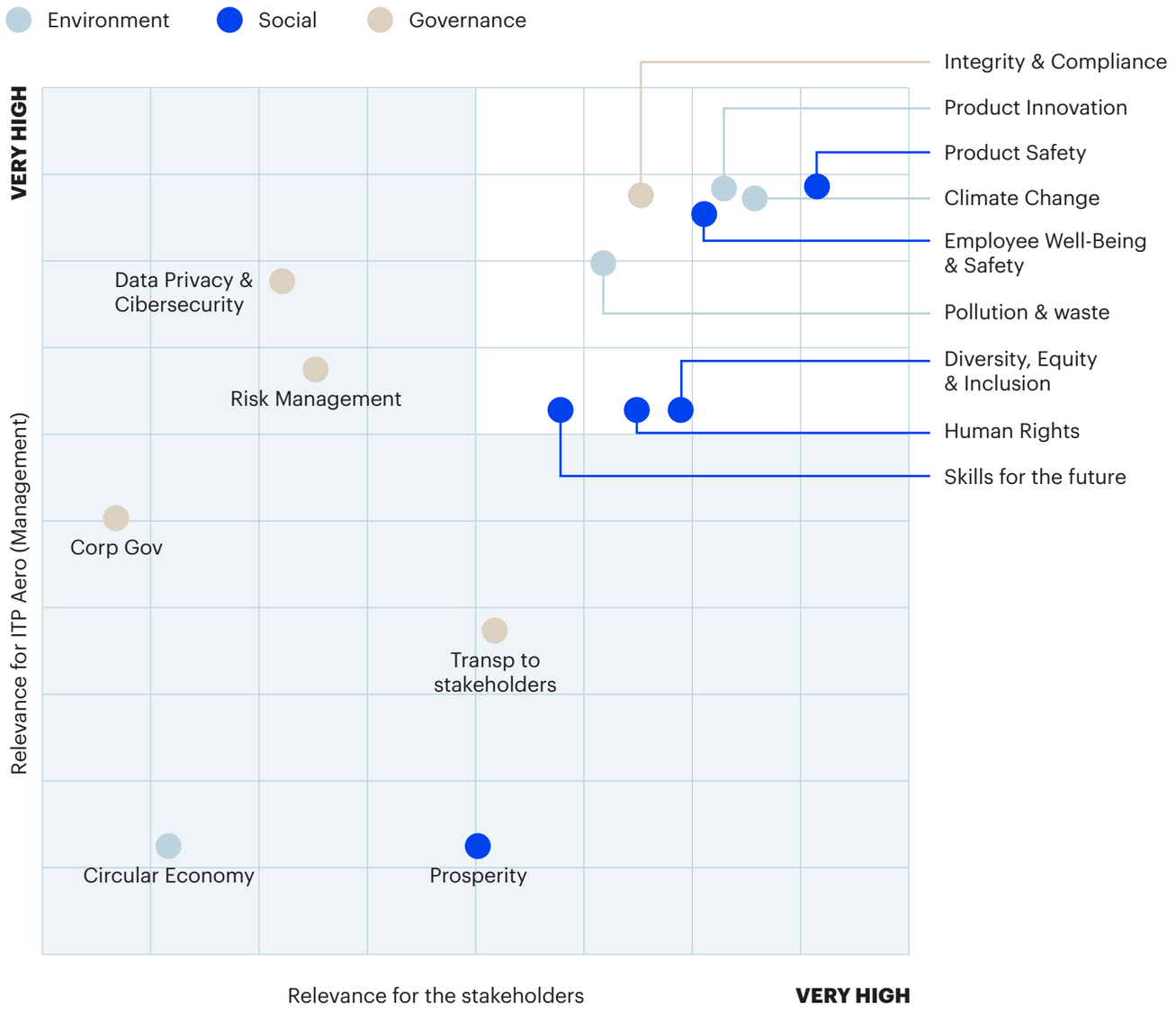
In an economic, social, environmental and governance context, where sustainability challenges are constantly growing, ESG elements need to be prioritised according to their relevance and considering the views of the diversity of stakeholders.

An issue is considered material when it impacts the decision-making, actions and performance of an organisation and its stakeholders. The development of the materiality analysis considers the relevance of ESG elements for both the company and its stakeholders.

The last published materiality analysis was conducted at the end of 2022. The 15 material ESG elements for ITP Aero were identified and a consultation was launched with the most relevant stakeholders to measure the degree of relevance of these elements for them. The views of shareholders, clients, employees, local government bodies, business associations, society, universities, technology centres, suppliers, trade unions and subcontracted staff were considered.

To determine the relevance of ESG elements for ITP Aero, the same consultation process was carried out with senior management. This was in addition to the analysis of ESG materiality in the sector and the result of this analysis is visually reflected on two axes in the materiality matrix.

Given the nature of the ITP Aero Group´s business, the materiality matrix remains valid in 2024 and aligns with the strategy. Therefore, this materiality exercise remains valid and applicable to ITP Aero Group, providing support for the preparation of the 2024 ESG Report.



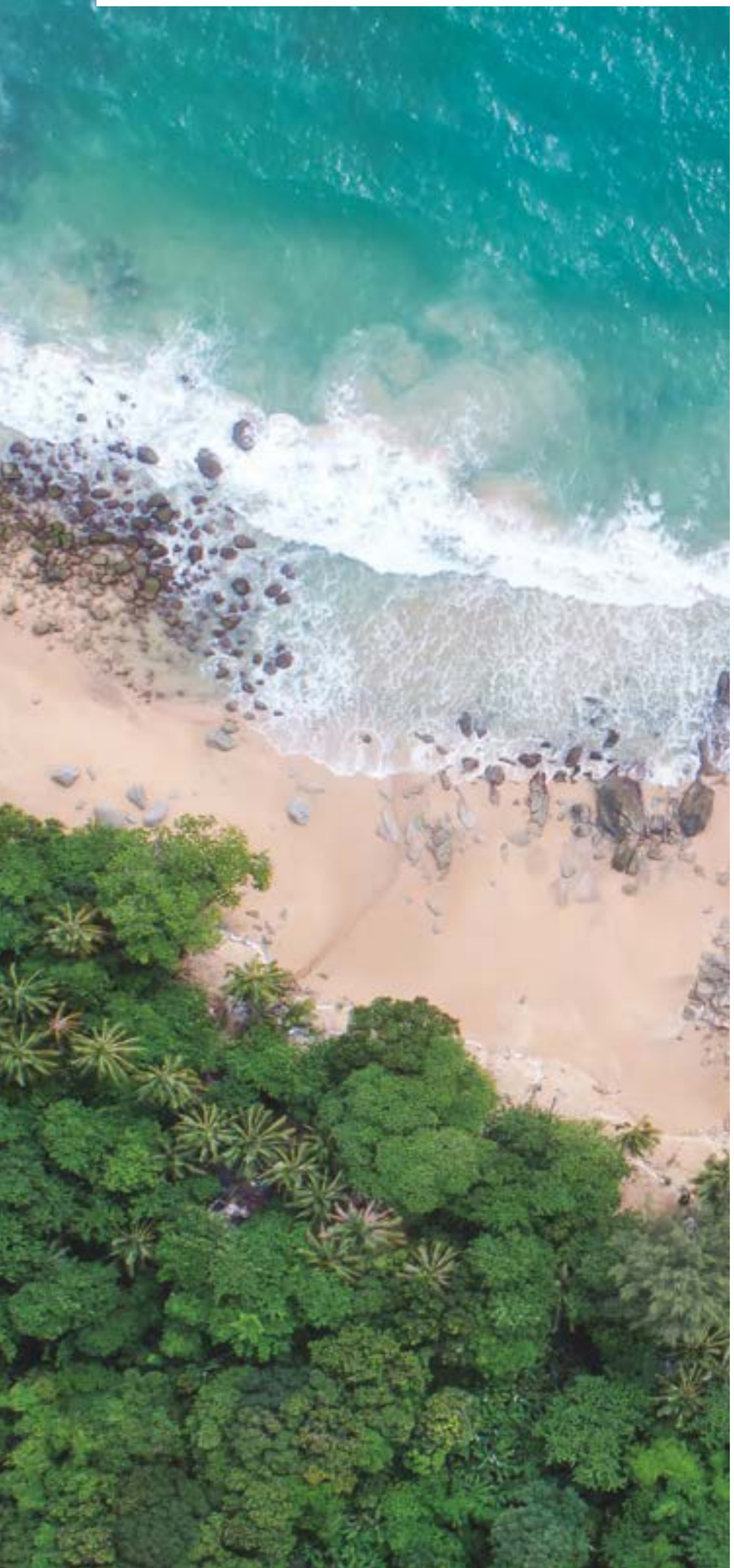
SIMPLE MATERIALITY MATRIX

Of the 15 ESG elements, the most material to both ITP Aero Group and its stakeholders are 9: product safety; climate change; product innovation; employee safety and well-being; integrity and compliance; pollution and waste; Diversity, Equity & Inclusion; human rights; and skills for the future.

Throughout this report, information is provided regarding ESG elements during 2024. Many of them have been identified as priorities within the ESG strategy and targets have been defined for the coming years, as described above.

ELEMENTS	SECTION OF THE ESG REPORT
Climate change	2.1 ESG at ITP Aero Group 3.1 The challenge of decarbonisation and innovation 3.2 Reducing the environmental footprint of our operations 5.3 Our Supply Chain
Pollution and waste	2.1 ESG at ITP Aero Group 3.2 Reducing the environmental footprint of our operations
Circular economy	2.1 ESG at ITP Aero Group 3.2 Reducing the environmental footprint of our operations 5.3 Our Supply Chain
Product innovation	2.1 ESG at ITP Aero Group 3.1 The challenge of decarbonisation and innovation
Product safety	2.1 ESG at ITP Aero Group 4.6 Product safety and quality
Prosperity	2.1 ESG at ITP Aero Group 4.1 Our people 4.3 Culture and Talent 4.4 Diversity, Equity and Inclusion 4.7 Contribution to our communities 5.3 Our Supply Chain 5.6 Fiscal transparency
Human rights	2.1 ESG at ITP Aero Group 5.2 Ethics and Compliance 4.1 Our people 4.2 Health and Safety 4.3 Culture and Talent 4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.3 Our Supply chain

ELEMENTS	SECTION OF THE ESG REPORT
Employee safety and wellbeing	2.1 ESG at ITP Aero Group 4.1 Our people 4.2 Health and Safety 4.3 Culture and Talent 4.4 Diversity, Equity and Inclusion 5.2 Ethics and Compliance
Diversity, Equity and Inclusion	2.1 ESG at ITP Aero Group 4.1 Our people 4.3 Culture and Talent 4.4 Diversity, Equity and Inclusion 4.7 Contribution to our communities 5.2 Ethics and Compliance
Skills for the future	2.1 ESG at ITP Aero Group 4.1 Our people 4.3 Culture and Talent 4.4 Diversity, Equity and Inclusion 4.7 Contribution to our communities
Corporate governance	2.1 ESG at ITP Aero Group 5.1 Corporate governance
Integrity and Compliance	2.1 ESG at ITP Aero Group 5.2 Ethics and Compliance
Risk management	2.1 ESG at ITP Aero Group 5.2 Ethics and Compliance 5.5 Non-financial risk management system
Transparency with Stakeholders	2.1 ESG at ITP Aero Group 5.7 Transparency with Stakeholders
Privacy and Information security	2.1 ESG at ITP Aero Group 5.4 Information Security/Cybersecurity



3. E – ENVIRONMENT AND CLIMATE CHANGE

3.1. THE CHALLENGE OF DECARBONISATION AND INNOVATION

The United Nations Conference on Climate Change in Paris in 2015 (COP21) established an agreement, adopted by 196 countries, with the aim of limiting global warming to 1.5 oC, compared with pre-industrial levels. In 2021, the International Air Transport Association (IATA) Annual General Meeting passed a resolution to achieve zero net CO2 emissions by 2050, a commitment by the air transport industry in line with the Paris Agreement target. In October 2022, at its 41st General Assembly, the International Civil Aviation Organisation adopted its long-term aspirational goal for international aviation to achieve net emission neutrality by 2050 in an environmentally, socially and economically sustainable manner.

The European Union has also developed a long-term strategic vision to achieve a zero detrimental impact on the global climate by 2050 by defining policies and intermediate targets to achieve a 55% reduction in greenhouse gas emissions (compared to 1990 levels) by 2030 (Fit for 55 legislative initiative). The development of this vision is achieved through various decarbonisation initiatives in the EU and in particular in the aviation sector.

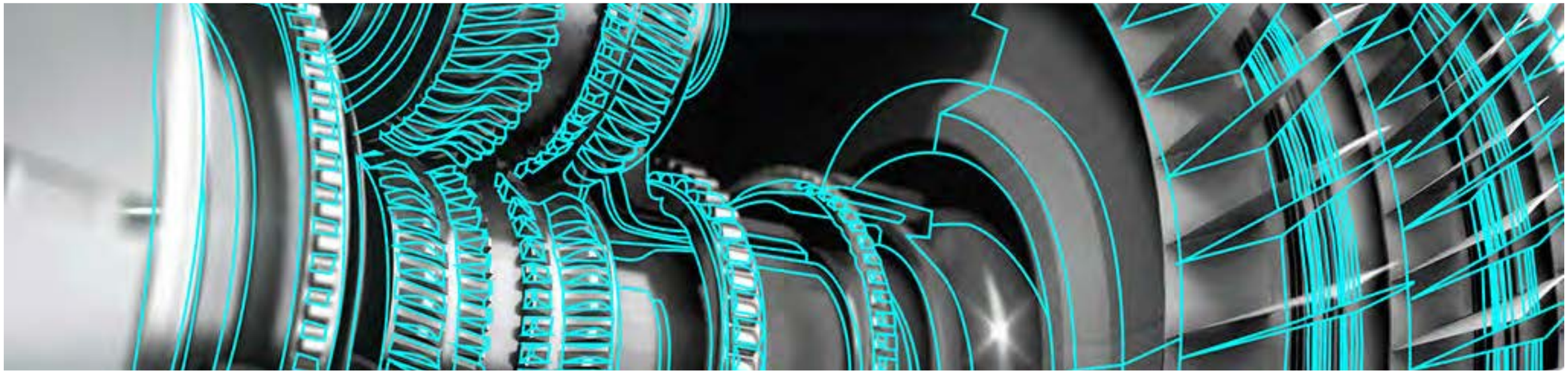
The ReFuel EU Aviation regulation, adopted in November 2023, sets mandates for sustainable aviation fuel supply in increasing percentages, starting with 2% in 2025 and rising to 70% in 2050. These mandates bind fuel suppliers as well as airports and operators of a certain size. In addition, the alternative fuels infrastructure regulation (Regulation (EU) 2023/1804 of the European Parliament and of the Council of 13 September 2023 on the implementation of an alternative fuels infrastructure) requires the provision of electricity supply for aircraft at boarding gates and parking spaces.

Also in 2023, new criteria for the identification of aviation-related activities with a significant contribution to climate change mitigation and/or adaptation were approved under the EU Taxonomy, including fleet replacement with new generation aircraft, use of sustainable fuels and zero direct emissions from aviation.

The challenges ahead are significant, and success via innovation will only be achieved by developing evolutionary technologies and disruptive technologies through a sectoral approach based on public-private partnerships.

The aeronautical sector is strategic due to its importance for society and the economy; it generates economic growth, contributes to competitiveness and is a generator of high technology. Technological progress in commercial aviation up to the present day has been very significant and always focused on reducing fuel consumption and CO2, pollutant and noise emissions. Since 1990, the average fuel consumption per passenger and kilometre transported has been decreasing at a rate of 2.6% per year. Consequently, the average emissions per passenger-kilometre transported have also been reduced to approximately 90 grams of CO2 emitted per passenger-kilometre.

The latest market studies (*Global Market Forecast 2023-2042, Airbus*) reflect an expected demand for passenger and cargo aircraft of almost 42,000 aircraft over the next 20 years. Currently, around 30% of the world's fleet of aircraft in service are state-of-the-art. Replacement of the remaining 70% of older generation aircraft, combined with more efficient ways of operating aircraft, SAF and future technologies such as hydrogen and hybridisation are key to the process of decarbonising air transport.



3.1.1. Net Zero – Carbon Strategy

Recognising the challenge that climate change issues pose for the industry, ITP Aero Group's commitment to decarbonisation is clear and it is one of the pillars of its ESG strategy.

In 2021, ITP Aero joined the UN "Race to Zero" campaign through the "Business Ambition to 1.5°C" programme, committing to reduce emissions by setting science-based emissions reduction targets by SBTi (Science Based Targets initiative) across the value chain, in line with the 1.5°C emissions scenarios.

SBTi is a global body that enables companies and financial institutions to set ambitious emissions reduction targets in line with the most up-to-date climate science. The initiative, jointly set up by the Carbon Disclosure Project (CDP), the UN Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF), focuses on accelerating corporate action on climate change in response to the commitment to halve emissions by 2030 and achieve net emissions by 2050.

Since then, the ITP Aero Group has been managing this commitment through the Net Zero project and has made progress in the calculation and verification of its carbon footprint corresponding to Scope 1, 2 and 3 and the definition of objectives focused on reducing CO2 emissions produced directly or indirectly by its operations and products.

ITP Aero Group's GHG emissions inventory has been prepared in accordance with the GHG Protocol standard, in compliance with SBTi adherence requirements, with the target of quantifying CO_2 equivalent (CO_2eq) emissions. The inventory takes into account seven greenhouse gases covered by the Kyoto Protocol: carbon dioxide (CO_2), methane (CH4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PCFs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3). The scope includes all ITP Aero Group plants.

The GHG emission reduction targets have been established in a measurable manner, and following the criteria of the SBTi initiative that aims to limit global warming to 1.5 °C.

Since joining the initiative in 2021, ITP Aero Group has followed the following process:

- **Commitment to reduction targets (year 2021)** by joining the UN "Race to Zero" campaign.
- **Development of targets** aligned with GHG inventories according to GHG Protocol (GHG Protocol Corporate Standard and Corporate Value Chain Accounting and Reporting Standard, respectively) and SBTi GHG emission inventory requirements.
- **Presentation to SBTi of the short-term decarbonisation roadmap,** in which the carbon footprint was reported taking into account Scope 1, 2 and 3 emissions for the years 2019 and 2022, as well as the proposed measurable, science-based reduction targets in line with limiting global warming to a maximum of 1.5°C. The presentation was carried out in December 2023. The calculation of the carbon footprint and reduction targets were made in line with the Group's existing scope in 2023.
- **Validation of targets by SBTi:** on 19 September 2024 ITP Aero received validation of its short-term emission reduction targets. This validation means ITP Aero will work to reduce carbon emissions in its own operations and products sold, in line with the Paris Agreement goal of limiting global temperature rise to 1.5 °C.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

ESG Strategic Objective[2]:

CLIMATE CHANGE. CO_2 EMISSIONS

- Short-term targets validated by SBTi:

ITP Aero commits to a 65% reduction in Scope 1 and 2 emissions by 2030 compared to 2019 base year emissions.

ITP Aero commits to a 55% reduction in Scope 3 greenhouse gas (GHG) emissions from the use of products sold per available seat kilometre by 2030, based on the base year 2019*.

*Non-CO_2e impacts, which can also contribute to aviation-induced warming, are not included in this target. ITP Aero Group commits to publicly report, during the period of its target, on its collaboration with stakeholders to improve understanding of opportunities to mitigate non-CO_2e impacts of aviation.

- Long-term commitment (not validated yet by SBTi)

Reduce GHG Scope 1, 2 and 3 emissions by 90% in 2050 compared to baseline 2019.[2]

ESG Strategic Objective[2]:

OTHER CLIMATE OBJECTIVES

- Define by 2025 a strategy on SAF, sustainable aviation fuels.

[2] For more information on the ESG Strategy and Objectives see details in section 2.1.3.

CARBON FOOTPRINT OF ITP AERO GROUP

In 2024, the ITP Aero Group conducted the inventory of its GHG emissions according to the standards mentioned above, including in the scope all its plants located in Spain, Mexico, United Kingdom, India, Malta and United States.

Scope 1, 2 and 3 emissions were taken into account in the calculation of the carbon footprint in order to consider direct and indirect sources of emissions:

Scope 1: Direct GHG emissions. These are from sources owned or controlled by the ITP Aero Group. This category includes emissions resulting from the combustion of fuels in stationary sources (boilers, furnaces, process installations, etc.), emissions from engine testing and emissions caused by leaks of refrigerant gases from the use of air-conditioning and refrigeration equipment.

Scope 2: Indirect GHG emissions associated with electricity. Includes emissions from electricity generation purchased and consumed by the ITP Aero Group, using both market-based and location-based approaches.

Scope 3: Other indirect emissions. Scope 3 is a category that covers the remaining indirect emissions. Scope 3 emissions result from ITP Aero Group activities, but occur at sources not owned or controlled by it. This category includes upstream and downstream emissions from:

- use of the product
- extraction, production and transport of the goods and services purchased by ITP Aero Group.
- extraction, production and transport of the capital goods purchased by ITP Aero Group.
- transport of goods, semi-processed products and the finished product until it is delivered to ITP Aero Group; as well as the transport of the product sold by ITP Aero Group to the client.
- business travel.
- employees' commute between their homes and the workplace.
- other emissions associated with e.g. waste generation, final disposal of sold products, investments.

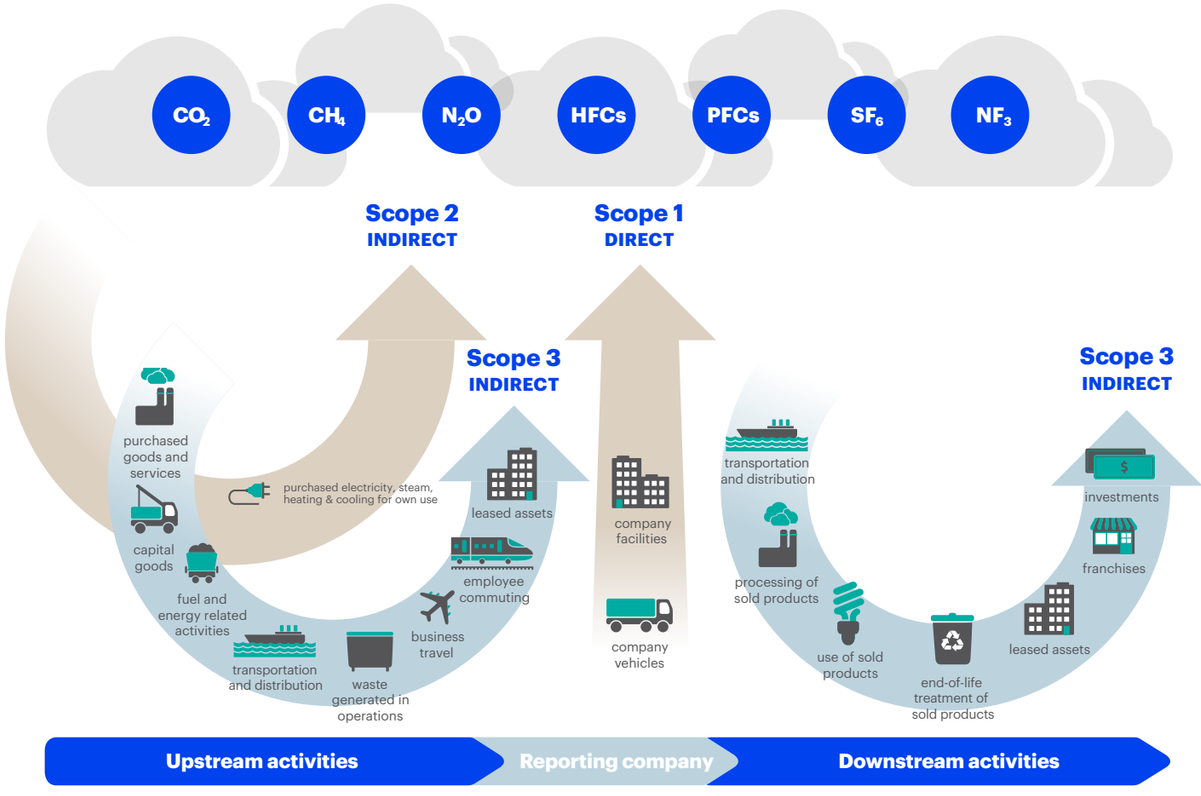
For ITP Aero Group, scope 3 GHG emissions are mostly from the use of products, which are generated during the operation of the aircraft. These emissions are calculated as the total emissions associated with the lifetime use of all products sold by the Group and, given their relevance, the ITP Aero Group set its Scope 3 emissions reduction targets on this category.

In 2024, the calculation and verification of the carbon footprint for the year 2023 was carried out. The 2024 carbon footprint for scopes 1 and 2, and scope 3 - category 11 is also verified at the date of publication of this report.

An important change in the ITP Aero Group's carbon footprint in 2024 is the incorporation of the recently acquired company BP Aero.

The ITP Aero Group has defined a policy with clear guidelines for recalculating base year emissions, including procedures for acquisitions and divestments, in order to maintain data accuracy and integrity. This ensures that any recalculation is carried out in a transparent and consistent manner, in line with the latest industry standards and data availability.

In line with this policy, emissions from BP Aero have been included in this report. These emissions amount to 2,411 tCO_2eq.



A) Scope 1 and 2 CO_2 Emissions

Inventory Scope 1 and 2

	Greenhouse gas emissions, ITP Aero GROUP GHG (tn CO2eq) [1]			
	2019 (base year)	**2022**	**2023**	**2024[2]**
Scope 1	9,491	8,432	7,867	10,499
Scope 2 (Market-Based)	7,956	1,092	1,949	2,379
TOTAL	**17,447**	**9,524**	**9,816**	**12,878**

[1] Details by country and analysis are provided below in the section CO2eq Emissions Scope 1 and 2.
[2] The 2024 emissions incorporate BP Aero, which was acquired in early 2024.

Emissions corresponding to Scopes 1 and 2 correspond to sources controlled by the Group (Scope 1) and indirect emissions associated with electricity (Scope 2).

In the ITP Aero Group, these emissions are mainly produced by energy consumption, from various sources, and by leaks that give rise to emissions of refrigerant gases, which are greenhouse gases, to a much lesser extent than those derived from energy consumption.

The energy consumed is mainly natural gas and electricity, varying in quantity and type of fuel from site to site due to differences in processes. In Spain, kerosene is also consumed on the test bench at the Ajalvir and Albacete sites; and in Mexico and Malta, on the corresponding test benches.

In the ITP Aero Group, the CO2eq Scope 1 and 2 emissions in recent years, by country, were as follows:

GREENHOUSE GAS EMISSIONS (tn CO_2eq)
ITP Aero GROUP Emissions Scope 1

	2022	2023	2024
COUNTRY	**Scope 1**	**Scope 1**	**Scope 1**
Spain	4,568	5,159	5,809
Mexico	1,977	715	2,029
United Kingdom	1,853	1,962	1,694
Malta	26	24	21
India	8	8	10
USA	NA	NA	935
TOTAL	**8,432**	**7,867**	**10,499**

GREENHOUSE GAS EMISSIONS (tn CO_2eq)
ITP Aero GROUP Emissions Scope 2 market-based [1]

	2022	2023	2024
COUNTRY	**Scope 2 MB**	**Scope 2 MB**	**Scope 2 MB**
Spain	78	0	0
Mexico	342	1,166	0
United Kingdom	42	47	45
Malta	76	75	82
India	554	661	777
USA	NA	NA	1,476
TOTAL	**1,092**	**1,949**	**2,379**

[1] Rounded numbers taken from the verification report are shown.

GREENHOUSE GAS EMISSIONS (tn CO_2eq)
ITP Aero GROUP Emissions Scope 2 location-based[1,2]

	2022	2023	2024
COUNTRY	**Scope 2 LB**	**Scope 2 LB**	**Scope 2 LB**
Spain	-	14,151	5,777
Mexico	-	4,375	5,423
United Kingdom	-	4,401	4,476
Malta	-	75	82
India	-	660	777
USA	-	NA	1,476
TOTAL	**-**	**23,662**	**18,010**

[1] As part of the data improvement exercise, location-based emissions were incorporated. However, these data are only available for the last two years, unlike the other indicators, which have data for three years.

[2] Rounded numbers taken from the verification report are shown.

Regarding the information from 2024, it is worth noting:

ITP Aero Group emissions, corresponding to scope 1 and 2, in 2024 were 12,878 tn CO2e. These emissions include the footprint of BP Aero, the company acquired in 2024.

Note that the targets validated by SBTi have an ITP Aero scope (without BP Aero). ITP Aero ended 2024 with 10,467 tn CO2e. Although this result is slightly above the target set for 2024 (9,198 tn CO2e), it represents a 40% reduction in GHG emissions in scopes 1 and 2 compared to the 2019 baseline.

It should be noted that the ITP Aero Group has increased its activity during 2024 by 15%, following the incorporation of Castings Mexico, while the increase in Scope 1 and 2 emissions has been 6%. This shows the commitment and effort to incorporate the decarbonisation measures set out in the Net Zero strategy, facing this challenge in the context of the company's growth.

The main causes of the increase in Scope 1 emissions in 2024 compared to 2023 are detailed below:

- Increase in natural gas consumption compared to estimates. In 2024, emissions were recorded from sources not existing in 2023, such as the new Castings activity in Mexico and the installation of two new furnaces at Castings Barakaldo due to increased production.
- Higher kerosene consumption due to the significant increase in the number of engines tested at all sites, but especially in Mexico, exceeding the amount recorded in 2023.

On the other hand, a reduction in emissions compared to 2023 has been achieved, thanks to:

- Elimination of Scope 2 emissions in Spain and Mexico, as 100% of the energy consumed in these countries has Guarantee of Origin certificates.
- Lower Scope 2 emissions in Hucknall (United Kingdom) due to the purchase of Guarantee of Origin certificates.

ITP AERO GROUP NET ZERO PLAN: LEVERS FOR SCOPE 1 AND 2

ENERGY STRATEGY

Reducing energy consumption through efficiency measures and diversifying electricity sources using PPAs and hedging policies.

TECHNOLOGICAL TRANSFORMATION

Reducing emissions from natural gas consumption for comfort heating and exploring alternatives for process-related emissions.

CO2e EMISSIONS GENERATED ON THE TEST BENCHES

Promoting SAF use in engine test benches.

EMISSIONS FROM REFRIGERANT GAS LEAKS

Managing refrigerant use to optimize air conditioning systems' efficiency and comply with environmental laws.

ENERGY STRATEGY

The ITP Group's energy **strategy envisages** a series of measures with two main aims:

- **Eficiency measures:** A 2% reduction in energy consumption through efficiency measures aimed at obtaining improvements in equipment and facilities.

- **Electricity supply diversification strategy:** develop options such as Power Purchase Agreement (PPA) ON site, PPA OFF site and hedging policies to optimize energy management.

Through **efficiency measures**, a 2% reduction in electricity consumption has been achieved by 2024. Significant measures that have been put in place include:

- In all the plants in Spain, the air-conditioning of the buildings were adjusted according to the energy efficiency and regulatory criteria, reducing both natural gas and energy consumption.

- Consumption minimisation measures implemented in all plants such as:

  » Machine shutdown protocols and control of night and weekend consumption.
  » Replacement of compressors and leakage control in the compressed air network.
  » Gradual incorporation of energy monitoring systems in the Group's plants.

- Other measures implemented on an ad hoc basis in centres in Spain:

  » Zamudio plant: heat recovery from compressed air.
  » Ajalvir: Office heat recovery associated to the heating and cooling system.
  » Albacete: Heat recovery from air renewal in the offices.
  » Zamudio and ITA: Change of lighting (power adjustment, increase in lux and replacement of luminaires with LED technology).
  » Barakaldo: automation of the furnace shutdown control.
  » In this same plant, the integral waste energy recovery system continues to be installed, which uses the surplus heat from part of the plant and makes use of it in other deficit areas: an exchange system stores the heat in the subsoil of the plot, so that it can be recovered when necessary. The recovered heat is used for heating workshop and office areas, for domestic hot water or for air-conditioning certain production sections, among others.
  » Installation of 10 new electric chargers in the Zamudio centre, 2 in Alcobendas and 2 in the Barakaldo centre.
  » In addition, the measures initiated in previous years will be maintained, such as the recovery of heat from compressed air, which was implemented in 2022 at the Derio and Zamudio centres. This measure recovers the excess heat generated in the compressors, reducing the electrical consumption of the compressor as no refrigeration equipment is required. In addition, the excess heat is used in the domestic hot water and heating system. This measure results in annual savings of about 640 MWh of energy (electricity + gas) and about 150 tonnes of CO2.

- Energy Audits: In 2024, energy audits were carried out in the Spanish centres of Zamudio, Ajalvir and Barakaldo. Audits are essential to evaluate the performance of the centres and to propose improvements to increase energy efficiency.

  » As an example, the conclusion of the audit of one of the centres is attached: "The centre has been working on its commitment to energy efficiency and has maintained a constant trend, where very significant investments have been made in technologies to reduce emissions and optimise consumption. During the development of the current audit, continuous progress in the implementation of improvements has been observed, with CO_2 reduction and energy savings being key variables. Improvements in sustainability are driven by technological modernisation and decarbonisation projects as significant factors."

Regarding the **electricity supply diversification strategy**, some relevant 2024 milestones are:

- PPAs Offsite (Power Purchase Agreements): Signing of a power purchase agreement (PPA) for the supply, over 10 years, of 250 GWh of electricity exclusively from renewable sources.

- PPA On-site (Power Purchase Agreements): the installation of photovoltaic panels should be highlighted in the centres in Spain (Zamudio, Derio, Sestao, Ajalvir, Albacete), Mexico and the United Kingdom (Hucknall).

  » In Derio, the installation was completed in 2024, making it the Group's second centre to generate electricity in a sustainable manner. The Derio installation has managed to generate 10% of the plant's electricity consumption, approximately 84.7MWh in 2024.
  » Albacete was the first to be installed in 2023 and has a self-consumption percentage of 30%.
  » In Zamudio and Ajalvir it is planned to execute by 2025.

The energy consumed by the ITP Aero Group per country considering its diferent sources is as follows:

ENERGY CONSUMPTION (KWh) Year 2024

SOURCE OF ENERGY	Spain	Mexico	United Kingdom	India	Malta	USA	TOTAL
Natural gas	25,103,525	181,177	8,963,734	0	0	1,141,181	**35,389,616**
Diesel/diesel	306,137	18,162	0	29,990	0	0	**354,289**
Kerosene	658,054	7,257,914	0	0	80,736	0	**7,996,704**
LPG	0	0	225,950	0	0	0	**225,950**
Kerosene with 2% SAF	1,459,104	0	0	0	0	0	**1,459,104**
Electricity	57,851,479	12,381,607	21,622,115	943,800	205,880	4,204,589	**97,214,883**
Regular gasoline	0	0	0	0	0	5,413	**5,413**
Unleaded fuel	0	0	1,384	0	0	0	**1,384**
Adblue	3	0	0	0	0	0	**3**
TOTAL	**85,378,302**	**19,838,860**	**30,813,183**	**973,790**	**286, 616**	**5,351,183**	**142,647,346**
Renewable energy	57,851,479	12,381,607	21,406,115	0	0	0	**91,639,201**
% Renewable energy	68%	62%	69%	0%	0%	0%	**64%**

Of the energy consumption in 2024, it is worth noting:

There has been a 10% increase in the total energy consumption compared to 2023, mainly due to increased activity.

Of the **total energy consumed, approximately 64% is of renewable origin**. Considering only electricity consumption, the percentage rises to 94%.

ENERGY CONSUMPTION (KWh) Year 2023						
SOURCE OF ENERGY	Spain	Mexico	United Kingdom	India	Malta	TOTAL
Natural gas	22,019,391	0	10,164,399	0	0	**32,183,790**
Diesel/diesel	136,916	13,944	5,040	23,752	0	**179,652**
Kerosene	1,575,658	2,655,630	0	0	88,679	**4,319,967**
LPG			145,947			**145,947**
Kerosene with 2% SAF	197,725	0	0	0	0	**197,725**
Electricity	54,426,883	10,057,086	21,259,579	802,682	194,100	**86,740,330**
TOTAL	**78,356,573**	**12,726,660**	**31,574,965**	**826,434**	**282,779**	**123,767,411**
Renewable energy	54,426,883	7,029,903	21,259,579	0	0	**82,716,365**
% Renewable energy	69%	52%	70%	0%	0%	**66%**

ENERGY CONSUMPTION (KWh) Year 2022						
SOURCE OF ENERGY	Spain	Mexico	United Kingdom	India	Malta	TOTAL
Natural gas + Kerosene	21,906,664	6,640,752	9,105,427	24,126	96,159	**37,773,128**
Electricity	49,687,794	9,236,170	21,706,385	716,766	199,270	**81,546,385**
TOTAL	**71,594,458**	**15,876,922**	**30,811,812**	**740,892**	**295,429**	**119,319,513**
Renewable energy	49,404,828	8,312,553	21,486,810	0	0	**79,204,191**
% Renewable energy	69%	52%	70%	0%	0%	**66%**

TECHNOLOGICAL TRANSFORMATION

Another lever is **technological transformation**, which is being applied primarily to reduce emissions associated with natural gas consumption.

In the Net Zero plan, the different alternatives to natural gas are being considered for the processes in which ITP Aero Group uses this fuel. Depending on the feasibility analysis in each case, this lever will be key in the coming years to achieve a significant reduction of the Scope 1 CO2eq emissions required to achieve our Net Zero targets.

It is worth noting that in the course of 2024, the process of replacing a conventional gas boiler with aerothermal energy began at the Zamudio centre. This change of technology will lead to a significant reduction in both natural gas consumption and CO2 emissions. It has been estimated that this change will lead to a reduction of about 400 t/year of CO2.

CO2 EMISSIONS GENERATED ON THE TEST BENCHES

This is a particular case of the generation of Scope 1 emissions, as the ITP Aero Group has engine test benches at its Ajalvir and Albacete sites in Spain and at the Mexico and Malta site, this with significantly less activity.

These are facilities where engine testing is carried out, either for trials or as a final stage in maintenance processes before delivery to the customer. During these tests, kerosene, the fuel used in aircraft engines, is consumed, generating the CO2 emissions associated with combustion.

In this case, the reduction measures defined by ITP Aero Group are aimed at favouring the use of SAF (Sustainable Aviation Fuels), which ensure a reduction in CO2 emissions compared to conventional kerosene. It is worth noting that since may 2024 the ITP Aero Group is using kerosene blended with SAF in its engine test bench at the Ajalvir plant in Spain, joining the Albacete plant which started using Kerosene with SAF in 2023.

EMISSIONS FROM REFRIGERANT GAS LEAKS

In addition to emissions produced by energy consumption in any form, there are greenhouse gas emissions, GHGs, produced by leaks of refrigerant gases.

The ITP Aero Group makes a conscious effort to avoid refrigerants with higher GWP, Global Warming Potential; however, there are emissions caused by leakage of these compounds, which are calculated based on the refrigerants that need to be replenished within the refrigeration systems and are shown in the table below:

KG OF REFRIGERANT GASES RECHARGED

	Spain			Mexico			United Kingdom			Malta			India			USA
	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024	2024
R410A	88	186	98	2	6	3	31	5	2	0	0	0	0	0	0	317
R407C	96	164	47	5	0	36	28	38	0	0	0	0	0	0	0	0
R134A	36	10	42	2	0	2	36	0	0	0	0	0	0	0	0	0
R407A	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R-404A	0	0	2	39	0	2	0	0	0	0	0	0	0	0	0	0
RS-22	0	0	0	9	0	0	0	0	0	0	0	0	0	0	0	0
RS-70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
R-32	0	0	4	0	0	0	0	0	0	0	1	0	0	1	0	0
SF6	0	0	9	0	0	0	0	0	0	0	0	0	0	0	0	0

In 2024, SF6 was generated as a result of an incident in an electrical installation.

In the area of controlling and minimising emissions of substances that affect the ozone layer, ITP Aero Group manages the use of refrigerants in air conditioning systems in accordance with environmental legislation. The use of refrigerants in ITP Aero Group plants is carried out for preventive maintenance of the equipment, thus optimising its operation by increasing its efficiency.

Reloading of gases (kg) per country and type in year 2024

	Spain	Mexico	United Kingdom	Malta	India	USA
Process gases (acetylene)	331	488	0	0	0	0
Reloading in PCI systems	648	284	0	0	0	0

B) Scope 3 CO_2e Emissions - Product Use

The breakdown of ITP Aero Group's Scope 3 category emissions is published annually in the CDP Climate questionnaire.

As mentioned above, of ITP Aero Group's Scope 3 indirect CO2 emissions, the largest contribution is due to emissions generated during the use of its products.

The products sold by the ITP Group are components and modules that have to be assembled and incorporated into engines, and these in turn into aircraft. While ITP's product does not have a use phase per se, the emissions attributable to the use of the final product are accounted for, taking into account the lifetime emissions production of the engines and the contribution of the products that are the responsibility of the ITP Aero Group within the whole. This attribution methodology is aligned with that defined by the IAEG, International Aerospace Environment Group, for the aviation sector.

gCO2/ASK	2019 (base year)	2022	2023	2024
Scope 3 - Cat 11 Use of Product (Commercial)- gCO2/ASK (Available Sear Kilometer)	1,51	0,81	0,89	0,84

Thus, the direct emissions for the reference year are calculated as the total lifetime use emissions for all products sold during this year. And to estimate the company's contribution, a percentage is assigned to the emissions of the final product, based on the weight of products sold by the ITP Aero Group in relation to the final product.

An intensive emissions parameter is also monitored, in line with one of the sector's standard proposals and following the aforementioned methodology: grams of CO2e per kilometre travelled for each available seat in an aircraft (ASK).

This parameter is called ASK and its calculation takes into account the products supplied by the ITP Aero Group in the various commercial aviation engines, the type of fuel, engine consumption and flight hours in the reference year, as well as the number of seats per aircraft, the average flight speed and the number of aircraft.

The scope 3 emission reduction target for the use of sold products, which has been validated by SBTI in 2024, is defined on the basis of this parameter.

In commercial aviation, the ITP Aero Group has products in single-aisle aircraft (also referred to as narrow-body aircraft) and twin-aisle aircraft (also referred to as wide-body aircraft). ITP Aero's Group products are more weight-intensive in wide-body programmes and less so in narrow-body programmes. As mentioned above,the emissions allocation is proportional to the weight of ITP Aero Group products.

In 2024 a -44% reduction in the emissions-intensive parameter has been achieved compared to the base year, mainly due to the higher number of deliveries for single-aisle aircraft relative to those for twin-aisle aircraft.

The focus of ITP Aero Group's products is aeronautical propulsion and energy production in an efficient and sustainable manner. However, the very performance of its function necessarily involves intensive fuel consumption, so that the greenhouse gas emissions derived from the use of the products by the ultimate customer (airlines, air forces and other institutional customers, energy companies) is orders of magnitude higher than the rest of the company's emissions.

Aware of this, the ITP Aero Group is working on a Net Zero Plan, acting on all different levers to reduce emissions from its products:

ITP AERO GROUP NET ZERO PLAN: LEVERS TO REDUCE EMISSIONS FROM OUR PRODUCTS

DELIVER STATE-OF THE-ART ENGINE MODULES AND COMPONENTS	ULTRA-EFFICIENT NEXT-GEN ENGINES	SUSTAINABLE AVIATION FUELS	DISRUPTIVE ALTERNATIVE TECHNOLOGIES
Producing state-of-the-art aircraft engine modules and components that replace older fleets.	Continuously working on technology developments that improve efficiency and reduce greenhouse gas emissions, turbine weight and noise.	Supporting the development of sustainable aviation fuels (SAF), through their use in the company's test centres, to reduce emissions and build customer confidence, and participating in technology development programmes that expand the productive possibilities of these fuels.	Researching the development of disruptive technologies such as distributed hybrid-electric propulsion and the use of hydrogen as a fuel.

Particularly relevant is the fact that these initiatives are developed jointly with the rest of the participants in the value chain of air services or energy generation: engine and vehicle OEMs, fuel manufacturers, institutions, technology development centres, etc.

The Product Innovation Strategy of the ITP Aero Group is detailed below, with the different perspectives of the short, medium and long term levers that will be key to developing future flight technologies to decarbonise the industry, as well as improving other environmental aspects, improving their manufacture, maintainability, repair and use.

3.1.2. Product Innovation

Product innovation is a priority within the ESG Strategy, which is why the ITP Group in 2024 has defined a methodology and criteria to measure indicators that represent the R&T and R&D effort in more sustainable programmes, new sustainable technologies and environmental efficiency of its products.

ESG Strategic Objective[2]:

PRODUCT INNOVATION

- Define ITP methodology/criteria to measure R&T and R&D across more sustainable programs, new sustainable technologies (hybrid-electric, hydrogen...) and environmental efficiency for our products in 2024.

  This objective is remains in 2025. Once the indicators have been agreed, the strategy will be defined in relation to R&T and R&D on sustainable products.

- Develop technology for ultra efficient next-gen engines (Ultrafan), electric-hybrid propulsion and hydrogen combustion propulsion.

  A plan 2025-2027 with milestiones will be developed.

R&D&I PLAN AND COLLABORATIONS FOR FUTURE FLIGHT TECHNOLOGIES

Throughout its history, the ITP Aero Group has distinguished itself by a commitment to the development of proprietary technology applicable to all phases of the product life cycle: design, manufacture, repair and testing of engine modules and components. The traditional vectors of efficiency improvement and weight reduction that have always been present in the development of aeronautical systems have been reinforced in the last decade due to their relevance in the reduction of emissions, while other vectors have been strengthened, such as the reduction of aircraft noise, with increasingly demanding regulations, the reduction of polluting products and waste in production processes and the improvement of combustion systems to reduce the concentration of harmful products (nitrogen oxides).

The Group's R&D&i plan supports the continuous improvement of traditional products in order to improve on the aforementioned aspects, while developing the exploration of disruptive technologies capable of decarbonising, reducing emissions and aircraft noise in the longer term.

Digital technology is a tool that enables accelerated development of basic technologies and design and manufacturing processes, as well as the establishment of integrated product lifecycle management tools that enable the collection of learning from production and operating processes in order to continuously improve products and services.

Public-private collaboration is essential to carry out different initiatives and R&D projects. During 2024, ITP Aero Group received a total of 5,4 million euros in grants.

Grants (thousands of €)			
	2022	2023	2024
Spain	2,749	3,643	5,126
United Kingdom	-	-	251
Total	**2,749**	**3,643**	**5,377**

Moreover, ITP Aero Group's commitment to R&D&i has materialised through the investment of more than 229,15 million euros over the last 3 years - **around 6% of its total income. This commitment resulted in 102,5 million euros (66.2 million euros in 2023) earmarked for R&D&i in 2024**, developing proprietary technology with different time perspectives:

[2] For more information on the ESG Strategy and Objectives see details in section 2.1.3.

SHORT- AND MEDIUM-TERM PERSPECTIVES

ULTRAFAN

Improving efficiency and reducing noise in aircraft propulsion system gas turbines requires the development of new architectures that enable larger diameter fans. Since 2015, the ITP Aero Group has been involved as a partner in the development of the intermediate turbine of the UltraFan technology demonstrator, an ultra-high bypass ratio engine developed by Rolls Royce with support from the European Union through the Clean Sky 2 Joint Undertaking.

Throughout 2023, validation tests of this architecture have been carried out on the engine test bench known as Test Bed 80 (the world's largest and smartest engine test bench) at the Rolls-Royce facility in Derby (United Kingdom). The engine has been tested over its full power range. The performance of the turbine designed and manufactured by the ITP Aero Group has been perfect, maintaining its integrity and providing its functionality under the most demanding operating conditions. Employees of the Group have been providing on-site support throughout the testing campaign.

The UltraFan project has been the subject of several awards such as Retina in 2022, recognising its high degree of innovation and the tangible nature of its implementation. In addition, much of UltraFan's testing was conducted with pure sustainable aviation fuel, not blended with conventional kerosene.

Once the initial test campaign was completed, the engine was disassembled and the turbine was sent from the ITP Aero Group to the Ajalvir facilities for disassembly and inspection of all the components to check its condition after the test campaign.

Simultaneously, and in parallel to the engine tests, which were primarily aimed at confirming the functional benefits and integrity of the new architecture, improvements to the core technologies of intermediate turbines have continued to be developed within the **HEAVEN** project, in the framework of the European Union's Joint Undertaking Clean Aviation. Taking advantage of the fact that the UltraFan architecture is scalable to different engine sizes and thrust requirements, this project aims to develop architectures capable of powering single-aisle intermediate-range aircraft (SMR Small and Medium Range).

As the largest expected fleet growth in the coming years is expected to be in this segment, the project sets ambitious environmental targets:

- Reduction of fuel consumption (and therefore GHG emissions) of 30% at aircraft level. Of this total, the propulsion technology developed in the project will directly assume 20% (with reference to the state of technology in 2020).
- The propulsion technology will be 100% sustainable fuels compatible (SAF) and will be available for entry into service in 2035.
- A roadmap will be drawn up to implement hydrogen as a future fuel.
- The emitted noise will be kept below the foreseeable future regulation, including potential for improvement.

The specific technologies that the ITP Aero Group is developing in this project are, among others, mainly improvements in the turbomachinery, using lightweight materials, a second generation of noise reduction features, more efficient transonic blades and advanced concepts of more efficient stators, always considering the design criteria of maintainability and ease of assembly and disassembly.

Sustainable aviation fuels

The ITP Aero Group aims to play an active role in the development of sustainable aviation fuels. Recognising that the main burden of development of these compounds lies with the manufacturers, the involvement of engine manufacturers is essential to expand the portfolio of raw materials, processes and blending ratios with fossil-derived kerosene, thereby promoting their industrial production and commercialisation.

Similarly, engine and aircraft manufacturers must help build customer confidence in these types of fuels by helping to demonstrate their lack of impact on safety and operations, and their true emission-reducing impact compared to fossil fuels when their full life cycle is taken into account.

In this regard, in 2024 the ITP Aero Group has used sustainable fuel for engine testing at its Albacete and Ajalvir facilities. While the degree of blending with fossil fuel is very moderate, it exceeds the mandates that will be imposed by the ReFuel EU Aviation regulation for the operation of commercial aircraft in 2025.

Although assembly and maintenance entities are not bound by the regulation, ITP Aero Group's customers have been very positive about the initiative, appreciating not only the emission reductions involved, but also the opportunity to confirm the functionality of the fuel in a risk-free environment in preparation for future use in operational contexts. This initiative builds confidence in alternative fuels, not only in aircraft operators, but also in the end customer, encouraging the development of sustainable consumption patterns.

Additionally, the ITP Aero Group is collaborating with fuel manufacturers, institutional customers and other industrial partners to develop collaborative research project plans aimed at characterising the operation of new proposals for sustainable fuel formulations. As a result, the Air and Space Force has already used sustainable fuel in the C-101, F-18 and Eurofighter.

Advanced manufacturing and repair technologies

Advanced manufacturing technologies enable sustainability improvements in two dimensions: by increasing the efficiency of the operations themselves (reduction of consumption and waste, recovery of materials, etc.) and through the functional improvement of the products (reduction of fuel consumption of engines, increase of durability and life of components, etc.).

The ITP Aero Group has been and continues to be the promoter of numerous projects for the development of advanced manufacturing technologies (casting, forging, machining, special processes, additive manufacturing, powder metallurgy, repairs, etc.). It is also a partner and leader of the Advanced Aeronautics Manufacturing Centre - **CFAA** (further details to follow) and has completed in 2024, within the ITP Aero Group's facilities in Zamudio, the construction of its own centre for the development of additive manufacturing, casting repairs and digitalisation called **ADMIRE** (Advanced Manufacturing Aeronautics Centre), which started at the end of 2024.

The ITP Aero Group works in the UK with ATI (Aerospace Technology Institute), which develops the technology strategy and R&D portfolio of activities for the UK aerospace industry. During 2024, the ITP Aero Group continued to lead the LADDER (Laser Automation and Design Development for future Engine Requirements) project, aimed at developing advanced manufacturing technologies, in particular, to implement an innovative laser beam welding solution as a robust joining technology for complex sheet metal fabrications of aero engines.

Due to their extreme operating conditions (high temperatures and mechanical stresses), propulsion systems are the main contributor to maintenance costs as well as to the consumption of high-performance aircraft materials. The ITP Aero Group develops component repair technology that allows both the correction of defects in manufacturing processes, avoiding costly scrapping, and the restoration of high-value alloy components for their return to service, increasing their useful life, improving their durability and reducing consumption.

In 2024, efforts have been dedicated to the automation and standardisation of additive welding repairs, with low thermal input that allow the useful life of metal parts to be extended before their end of life and final recycling, developed in the **FAKTORIA** project financed by the Basque Government through its HAZITEK programme.

Furthermore, in 2024, supported by several projects **(KAIA, FIDATU, HYPERSCALE, ERAGIN and LASTER)** financed by the Basque Government through its HAZITEK programme, a large digital monitoring project of the foundry process in Barakaldo, machining and additive manufacturing in Zamudio and laser welding in Derio has been started. The fundamental objectives are the reduction of scrap, defects, need for repairs, energy, raw materials while ensuring quality. The steps that have been started in 2024 consist of a) sensing and connecting assets (machines), b) managing assets on a digital platform (fog) that allows real-time analysis of the status and health of those assets, c) making all useful data (such as instantaneous electricity consumption) available in a centralised environment accessible by processors, and d) developing artificial intelligence-based models to implement predictive maintenance of assets and early detection of anomalies in production processes.

MEDIUM-TERM PERSPECTIVES

The ITP Aero Group's technology development plan considers product lines and technological elements that require additional efforts for their maturation before being incorporated into service, but which offer great potential for the decarbonisation of propulsion systems and aircraft.

Advanced thermal management technologies

New propulsion technologies (from new engine architectures to hybrid-electric or hydrogen-based solutions) have as a common denominator the achievement of greater efficiencies, which necessarily involves a better and more integrated management of the residual thermal energy generated by the systems, reducing thermal energy losses, both in the propulsion plant and in the aircraft.

The ITP Aero Group is working on the development of thermal conditioning systems technology by exploring solutions that can be industrialised and that are functionally optimised for each type of application.

Along these lines, the ITP Aero Group is participating in the **THEMA4HERA** a project within the framework of the EU's Clean Aviation. This is a project aimed at achieving thermal management solutions for hybrid-electric regional aircraft applications and its main objectives are:

- 50% reduction in fuel consumption at aircraft level, with an overall weight penalty of less than 30% (with reference to the state of technology in 2020).
- Thermal control technology suitable for the future use of hydrogen as a fuel.
- Establish a roadmap for prototype demonstration by 2027 and entry into service in 2035.

Throughout 2024, the ITP Aero Group has made progress in the design and validation of an advanced heat exchanger integrated into the aircraft.

The heat exchanger technology developed in this line is also applicable to the hydrogen-fuelled propulsion plants described below.

Electric and hybrid-electric propulsion technologies

The higher efficiency of electric systems compared to thermal machines, as well as their zero direct emissions, make electric propulsion a technology with a high decarbonisation potential and also a high degree of maturity. In the coming years, small aircraft of smaller size and range are expected to enter service, reactivating short-haul regional transport and enabling new markets for decarbonised urban and intercity aviation. The ITP Aero Group is involved in the development of this technology through two projects.

- **PRELUDIO**, developed within the framework of the Basque Government's Hazitek programme and led by the ITP Aero Group. The aim of the project is the development of specifications and simulation tools for electric propulsion systems, work that was completed in 2023, and the creation of an initial functional intermediate power demonstrator, which was manufactured, assembled, and tested in 2024 intended as a first step in assessing the application of this technology in aviation.
- **APERTURAS**, developed within the framework of the CDTI Aeronautical Technology Programme. The aim of this project is the development of advanced electric propulsion demonstrators with different power levels and integrating the energy system (battery). During 2024, system simulations were completed and procurement began in order to build the prototypes to be tested next year.

LONG-TERM PERSPECTIVE

Hydrogen technologies applied to propulsion and energy management in aircraft

Hydrogen is one of the key energy carriers for achieving a decarbonised economy and society. For this reason, institutions and governments support its development through plans and strategies such as the European Union's European Hydrogen Strategy and the Hydrogen Roadmap in Spain.

The use of hydrogen as an energy source in aircraft is seen as an opportunity for the elimination of CO2 emissions and the reduction of other pollutants (microscopic particles, sulphur oxides, volatile organic compounds and potentially nitrogen oxides) and greenhouse gases in small and medium-sized aircraft.

The associated technological challenges are very important and require sustained research efforts over time, supporting the development of methodologies, system architectures, design systems, manufacturing technology, materials, safety, etc. In addition to design and manufacturing capabilities, testing facilities will be needed to validate technologies, designs, and ultimately certify systems. The ITP Aero Group is fully committed to developing the aeronautical technologies, systems and test facilities necessary to introduce hydrogen into aircraft through the following projects currently under development:

- **CAVENDISH**, developed within the framework of the Clean Aviation, researches hydrogen combustion in aircraft turbines The ITP Aero Group is involved in the design of components of the hydrogen conditioning system for consumption in the engine.
- **PRESCOR2** in 2024, as a continuation of PRESCOR in 2023, developed within the framework of the Basque Government's Hazitek programme and led by ITP Aero Group. The aim of the project is to study the cooling of electric motors using cryogenic hydrogen, proposing concepts for the installation of the system in the aircraft.

- **CHALUPA**, developed within the framework of the CDTI Aeronautical Technology Programme. The aim is the integration of different liquid hydrogen-fuelled auxiliary power unit (APU) architectures into the aircraft. The ITP Aero Group is involved in the design of components of the hydrogen conditioning system for combustion in gas turbine APUs. In addition, it carries out testing and validation activities. During 2024, the design work was completed, the collection and manufacturing of prototypes was started, test rigs were modified and experimental campaigns planned for the coming year.

- **CRIPICOM**, developed within the framework of the CDTI Aeronautical Technology Programme. The aim is to research the use of hydrogen in aeronautical propulsion systems, considering both gas turbines and electric engines powered by fuel cells. The project is developing basic combustion technologies through simulation (complementing the H2AERO project which is a Public Private Partnership project of the State Research Agency) and simplified laboratory tests as well as demonstrators of propulsion systems based on existing engines adapted to hydrogen operation. A key contribution of the project is the development of test facilities adapted for operation with aviation kerosene, natural gas, hydrogen or gas-hydrogen mixtures.

- **RACHEL**, a UK project led by Rolls-Royce within the ATI (Aerospace Technology Institute) to develop hydrogen-powered engine architectures. ITP Aero Group's contribution focuses on the design and manufacture of engine structures, the first sets of parts of which have already been manufactured and delivered in 2024.

3.1.3. Active participation in associations and with strategic partners

SECTORAL ASSOCIATIONS

The ITP Aero Group participates in different associations that promote the development of advanced and sustainable technology and knowledge in the aerospace and industrial environment. In this way, the Group reinforces its position as a leader in the sector while exerting its tractor effect on the local supply chain and its relationship with the technology centres and universities with which it collaborates. Furthermore, participation in these associations allows the ITP Aero Group to foster collaboration and cooperation with strategic partners, with whom it shares and promotes its general interests in regulatory forums (administrations), both national and international.

The ITP Aero Group is a member of the following sectoral associations, through the companies present in each country/region:

International:

- In 2024, ITP Aero joined **IAEG** (International Aerospace Environmental Group) as a full member, a forum for the aerospace and defence sector to develop standards and solutions to the regulatory and environmental challenges faced by aerospace and defence companies.

In Europe:

- Member of the European **AZEA** (Alliance for Zero-Emission Aviation) initiative to prepare the ecosystem for hybrid-electric and hydrogen-powered aircraft.

- By virtue of its membership in TEDAE, it actively participates in the **ASD** (Aerospace, Security and Defence) environment committee.

- Member of **ACARE** (Advisory Council for Aeronautics Research in Europe).

In Spain:

- Partner and member of the Board of Directors of **TEDAE** (Asociación Española de Tecnologías de Defensa, Seguridad, Aeronáutica y Espacio, Spanish Association of Defence, Security, Aeronautics and Space Technologies), which works to give visibility to the industrial sectors it integrates and to support Spain's economic growth.

- Founding partner and member of the Management Board of the **PAE** (Plataforma Tecnológica Aeroespacial Española, Spanish Aerospace Technology Platform), which is an advisory body and a presence in national and international aerospace R&D&I forums.

- Founding partner of the Clúster de Aeronáutica y Espacio del País Vasco (Aeronautics and Space Cluster of the Basque Country, **HEGAN**), an association that brings together the Basque aeronautics and space sector, facilitating its competitiveness through cooperation and innovation between companies and other agents.

- Founding partner and member of the Board of Directors of **Innobasque**, the Basque Innovation Agency, with which it develops partnerships in innovation, internationalisation and R&D.

- **BAIC** (Basque Artificial Intelligence Centre), to accelerate the integration of artificial intelligence in the Basque industry

- **Alianza Española para el Uso del Hidrógeno Verde en Aviación** (Spanish Alliance for the Use of Green Hydrogen in Aviation), which aims to promote hydrogen-based solutions (by direct use or through synthetic fuels) in air transport.

- Partner of the Corredor Vasco del Hidrógeno (Basque Hydrogen Corridor, **BH2C**), an organisation whose objective is the creation of a hydrogen ecosystem, based in the Basque Country, which will enable progress in the decarbonisation of the energy, industrial, residential and mobility sectors.

- Member of **IZAITE**, Asociación de Empresas Vascas por la Sostenibilidad (Association of Basque Companies for Sustainability).

- Member of the Basque Ecodesign Center (**BEC**), whose mission is to promote the piloting of methodologies and the development of innovative projects that respond to the priorities of the Basque Country for the deployment of the circular economy in the Basque business fabric, with a dual focus: improving competitiveness and preventing environmental impacts.

In the United Kingdom:

- **AGP, Aerospace Growth Partnership**, an association which plays a linking role between government and industry in the UK.

- Member of the **ADS Group (Aerospace, Defence, Security and Space)**, the UK's leading association in the sector.

- Member of the **Midlands Aerospace Cluster**, in 2024 they aim to realise a local Industrial Decarbonisation Plan with key players in the aerospace sector in the region.

In Mexico:

- **Aerocluster de Querétaro**, an organisation for the development of the aerospace industry in the state of Querétaro.

- Federación Mexicana de la Industria Aeroespacial (Mexican Federation of the Aerospace Industry, **FEMIA**).

In the USA:

American Institute of Aeronautics and Astronautics, AIAA, the world's largest aerospace technical society.

TRADE ASSOCIATIONS

The ITP Aero Group also participates in associations that promote, encourage and defend the rights and goals of entrepreneurs:

- Member of the **CEOE** (Spanish Confederation of Business Organisations)

- Member of **Círculo de Empresarios (Entrepreneurs' Circle)**

- Member of the Confederación Empresarial de Bizkaia (Bizkaia Business Confederation, **CEBEK**), the business organisation representing the territory of Bizkaia in the Basque Country.

- Member of **FVEM**, Federación Vizcaína de Empresas del Metal (Biscayan Federation of Metal Companies), a business organisation that brings together the group of companies in the iron and steel industry in Bizkaia.

- Member in Mexico of **CANACINTRA**, (Mexican National Chamber of the Transformation Industry), an organisation representing the Mexican industrial sector.

STRATEGIC PARTNERS FOR INNOVATION

The ITP Aero Group is committed to the search for more sustainable technological solutions and has positioned itself as a driving force in developing ultra-efficient engines and laying the foundations for hybrid-electric and hydrogen-based propulsion systems.

To this end, the Group has built a strong network of collaboration with strategic industry technology centres for the development of technology in the environments in which it operates. The ITP Aero Group is also promoting the creation of joint R&D&i centres with universities to develop the advanced technologies that will equip the engines of the future.

JOINT R&D&I CENTRES

- The Centro de Fabricación Avanzada Aeronáutica (Centre for Advanced Aeronautical Manufacturing, **CFAA**) is a public-private collaboration centre, led by the ITP Aero Group and Danobat for aeronautical manufacturing focused on the improvement of industrial processes and advanced machinery. The centre has the participation of more than 100 companies from the aeronautical sector, the Provincial Council of Bizkaia, the Basque Government, the University of the Basque Country (UPV-EHU) and the Bizkaia Technology Park.

- Centro de Tecnologías Aeronáuticas (Aeronautical Technologies Centre, **CTA**), Bizkaia: an aerospace research laboratory specialising in fluid dynamic testing. It collaborates with the CTA on several research and technology development projects.

- The Laboratorio de Investigación en Fluidodinámica de Turbomáquinas (Turbomachinery Fluid Dynamics Research Laboratory, **LIFT**), Madrid, is a technology centre created in collaboration with the Universidad Politécnica de Madrid [Polytechnic University of Madrid] to carry out aerodynamic tests on turbomachinery.

TECHNOLOGY CENTRES AND UNIVERSITIES

The ITP Aero Group supports the activities of the technology centres with which it collaborates as they specialise in key technologies, thus creating a relationship that promotes the consolidation of the industrial fabric and more efficient investment in R&D&i.

In Europe:

- **ICTM AACHEN**: International Centre for Turbomachinery Manufacturing, Germany.

In Spain:

- **Barcelona Supercomputing Centre (BSC):** collaboration in high-performance computing and high-fidelity simulations
- **Centro de Estudios e Investigaciones Técnicas (Centre for Technical Studies and Research CEIT)**, Donostia: collaboration in projects to develop advanced mechanical technologies for aviation.
- **IDEKO**: collaboration in digitisation of advanced manufacturing systems.
- **Instituto Madrileño de Estudios Avanzados de Materiales (Madrid Institute for Advanced Materials Studies, IMDEA Materials)**: materials development and production processes.
- **TECNALIA**: collaboration in the development of advanced aeronautical materials and control systems.
- **Universidad Politécnica de Madrid (Polytechnic University of Madrid, UPM)**: in the field of aeronautics, collaboration in fluid dynamics and simulation technologies for turbines and compressors.
- **Universidad de Mondragón** (Mondragon University): collaboration in research into manufacturing technologies, including machining, forming and casting processes.
- **Universidad del País Vasco (University of the Basque Country, UPV-EHU)**: collaboration, the development of advanced manufacturing technologies.
- **LORTEK** for additive manufacturing technologies.
- **TEKNIKER** for materials and coatings development.
- **Fundación Andaluza para el Desarrollo Aeroespacial (Andalusian Foundation for Aerospace Development, FADA-CATEC)** in the development of additive manufacturing methods.
- **Universidad de Sevilla (University of Seville)** to develop materials behaviour technologies.

In the United Kingdom:

- **AFRC**: The Advanced Forming Research Centre, The University of Strathclyde, Glasgow
- **AMRC**: The Advanced Manufacturing Research Centre de The University of Sheffield.
- **MTC**: The Manufacturing Technology Centre in Ansty Park, Coventry.
- **TWI**: The Welding Institute in Cambridge.

SUPPLIERS

The ITP Aero Group is committed to and maintains a close relationship with its suppliers to develop collaborative research, development and innovation programmes. These relationships are of great importance to encourage investment in innovation in the products and services that suppliers provide to the Group.

As part of the ITP Aero Group's R&D&i strategy, there are collaborations with strategic suppliers at local, national and international level. Suppliers are involved as strategic partners, through technical collaborations or by contributing to the development and manufacture of components. Collaborative projects set specific milestones to be achieved by both the Group and the suppliers as well.

In 2024, several local suppliers of the ITP Aero Group participated in various R&D&i programmes, including ULTRAFAN, RACHEL, PRELUDIO, PRESCOR2, APERTURAS, CHALUPA, CRIPICOM, KAIA, FIDATU, HYPERSCALE, ERAGIN and LASTER.

3.2. REDUCING THE ENVIRONMENTAL FOOTPRINT OF OUR OPERATIONS

In addition to the commitment to decarbonise the industry, innovate products and actively engage in industry initiatives, ITP Aero Group is committed to reducing the environmental footprint of its operations as part of ESG strategy. Therefore, one of the strategic lines approved in December 2023 is to develop internal operations and activities in a responsible manner, delivering improved efficiency and taking action to protect the environment. The ESG strategic objectives for operations in the coming years relate to environmental management level, waste and water, as well as CO2 Emissions

In line with this strategy, objectives have been defined at the beginning of 2024 to minimise water usage and waste generation and to reduce its environmental impact through efficient and sustainable management:

ESG Strategic Objective[2]:

ENVIRONMENTAL IMPACT

- Reduce waste directed to disposal rate to 15% by 2030. Baseline 2022: 20%.

  This objective has been updated to be aligned with the new perimeter of ITP Aero Group and defined as: Reduce waste directed to disposal rate to 30% by 2025, which represents a 2% reduction from de baseline. Baseline 2024: 32%.

- Analyse the impact of growth to 2027 on total and per site waste generation and define reduction target in 2024.

  This objective has been updated to be aligned with the new perimeter of ITP Aero Group and defined as: Not exceed 7,700 tonnes of total waste in 2025, considering projected growth. Baseline 2024: 6,400 tonnes.

- Conduct a water use audit, calculate baseline and define targets for improvement in 2024.

  This objective has been updated to be aligned with the new perimeter of ITP Aero Group and defined as: Define by 2025 the global roadmap to ensure that water withdrawal does not exceed 327Ml, considering projected growth.

- Increase coverage of the management system (ISO 14001 and EMAS) including BIDCO and Castings Mexico 14001 certified and EMAS register in Derio by 2025.

[2] For more information on the ESG Strategy and Objectives see details in section 2.1.3.

Progress in 2024 in relation to the strategic objectives:

- **Waste sent to disposal:** Reduce the rate of waste sent for disposal by 2% compared to the previous year. Actions launched in 2024 associated with this objective include the following:

  » Correction and analysis of data, establishing priorities: gathering information from all centres and defining the 2023 baseline.

  » Identification of alternative waste management companies to give us a different destination for disposal.

  » Awareness-raising in production areas to ensure proper waste segregation, which facilitates subsequent waste recovery. Although related concepts are already included in the induction courses for workers, in 2024 we started held awareness campaigns to reinforce the message specifically in the workshop area.

- **Total Waste**: Determine the baseline or reference in terms of waste generation for each centre, in order to draw up the short-term road map (2027).

  » In this regard, we have a waste map for each centre with detailed information by type of waste.

- **Water**: Determine our baseline or reference in terms of water withdrawal for each centre, in order to draw up our short-term road map (2027). Moreover, completed a Water audit in one centre (Zamudio) in order to evaluate the use, withdrawal and management of this resource in the Zamudio centre, with the aim of identifying opportunities for optimisation, reduction of consumption and improvement in efficiency.

  » The results of this audit identified, among other solutions:

    › Low-cost measures with quick results

    › Medium-term recommendations: For example, actions to optimise consumption in order to be aligned with the best available technologies contained in the BREF (Best Available Techniques reference) documents.

    › Installation of water meter at the points of highest water demand.

  » With the water audit results, a benchmarking exercise was carried out among ITP Aero Group companies in order to analyse the applicability of the measures at other sites. As a result, a cost/impact matrix was drawn up including measures with potential for implementation.

  » Some of these measures began their implementation at the end of 2024. Some examples are given below:

    › Improved irrigation service in Mexico, changed equipment, areas and schedules that help to use less water (approximately) 1000 m3 ...

    › Identification of points with high water consumption with low productive activity in Zamudio (this measure can be transferred to other centres).

    › Planning for the installation of 20 smart water meter, which will enable accurate real-time metering of withdrawal. This will facilitate the identification of unwanted consumption, allow comparisons of use and optimise the management of water resources in the facilities, etc.

During 2025, the technical, environmental and other necessary implications of the measures identified, both in water and waste, will continue to be analysed in order to plan their implementation in the coming years.

3.2.1. Environmental Management System[1]

FOCUS ON SUSTAINABILITY

ITP Aero Group's environmental management system provides a framework for improving environmental performance, making efficient use of resources, reducing waste and establishing efficiency improvements with a circularity approach.

This management system is based on the company's environmental policy, which embodies our formal commitment to sustainability, establishing principles and guidelines to minimise the environmental impact of our activities. It is important to note that a new specific environmental policy was defined in 2024. This policy applies to all employees and contractors and visitors on company premises.

The **environmental policy** focuses on ITP Aero's Group commitment to make a positive impact on our customers and society, driving growth through an ambitious strategic plan based on four pillars: future flight technologies, engine life cycle solutions, large-scale delivery efficiency and strategic partnerships. It integrates a commitment to sustainable development, prioritising environmental protection, positive social impact and good governance. Thus, the company adopts a management model based on the principles of precaution, pollution prevention and continuous improvement of environmental performance. ITP Aero Group reflects its strong commitment to protecting the environment, promoting a positive social impact and exercising good governance. Our environmental management model is based on precautionary and pollution prevention principles, with the aim of improving environmental performance in our operations, products and services. Key principles include the responsible production model to minimise environmental impact, the adoption of circular economy principles, the efficient use of resources and the commitment to renewable energies, as well as decarbonisation through the Net Zero Action Plan. In addition, priority is given to the protection of biodiversity and compliance with local and global legal and environmental requirements.The policy was ratified by the Governing Board in September 2024.

To carry out this work, the Group has an environmental management system based on the cycle of continuous improvement: planning, development, verification and action. In other words, the company tries to apply this improvement to all stages of the production chain, developing internal operations and activities in a responsible way, seeking efficiency and defining targets to protect the environment.

ITP Aero has an **environmental management certificate** in accordance with the UNE-EN ISO 14001:2015 standard in all its work centres in Spain, Mexico, the United Kingdom and India, which entails that 13 of the 17 centres have an ISO 14001 certified environmental management system, of which 12 centres are within the UNE-EN ISO 14001 multisite certificate.

In 2024 a new centre was included in the EMAS Register: Castings Sestao, which joins the Spanish centres in Zamudio, Ajalvir, Alcobendas and Barakaldo which already had this registration, the highest level of environmental management.

[1] The ratings, awards and certifications are differentiated according to the perimeter of the companies to which they refer, so in some cases the reference is to ITP Aero and not to the Group.

ENVIRONMENTAL BEHAVIOUR

Environmental management at ITP Aero Group focuses on prevention as a fundamental principle to mitigate environmental impacts. This approach integrates proactive measures to avoid waste generation, reduce pollutant emissions and optimise the use of natural resources by implementing clean technologies and efficient processes.

Thus, ITP Aero Group integrates environmental requirements in the specifications of new facilities, activities, machinery and, in general, in any project, such as the construction of new buildings. This allows us to apply sustainable practices from the outset, favouring the reduction of natural resource consumption, waste minimisation and the reduction of polluting emissions during the operation phase.

By considering aspects such as energy efficiency, responsible water use, environmental footprint reduction and waste management, we achieve a lower environmental impact throughout the entire life cycle of the assets. In addition, this integration allows us to anticipate potential risks, thus improving the company's environmental footprint. Incorporating these requirements also promotes innovation in the design and construction of more sustainable infrastructure, contributing to a healthier working environment aligned with long-term sustainability goals.

Sustainable building: New buildings will be constructed on the basis of sustainable construction certificates. Sustainable building certificates, such as BREEAM and LEED, are assessment systems that recognise and accredit the design, construction and operation of buildings with high environmental standards. These certificates assess key aspects such as energy efficiency, sustainable use of resources, water management, indoor air quality and carbon footprint reduction, promoting practices that minimise environmental impact and improve the long-term sustainability of infrastructures. Both Leed and Breeam seek to promote sustainability. Leed is most commonly used in America, and Breeam in Europe.

The new Admire building was awarded the Excellent certification level in the design phase. This level reflects a building with an outstanding performance in sustainability, standing out due to its advanced energy efficiency, responsible use of resources, significant reduction of environmental impact and optimisation of water management. In addition, it promotes a healthy and comfortable environment for its occupants, implements innovative solutions and complies with strict regulations, which not only enhances its long-term value, but also contributes to corporate sustainability goals. This level demonstrates leadership in environmental practices and responds to the growing demand for more responsible and sustainable buildings. We are currently waiting to receive the post-construction certificate, which is obtained after verification of performance by an evaluator.

Similarly, Leed sustainable construction criteria was applied in the new building in Mexico. The building is expected to receive a Silver certification level, which demonstrates a high level of sustainability. This level includes features such as energy efficiency, reduction of water consumption, use of sustainable materials, and improvement of indoor environmental quality, ensuring that the building provides a healthy and efficient environment for occupants. In addition, it promotes the strategic location for access to public transport and the minimisation of environmental impact, contributing to sustainability throughout the life cycle of the building.

[1] The ratings, awards and certifications are differentiated according to the perimeter of the companies to which they refer, so in some cases the reference is to ITP Aero and not to the Group.

Mobility Plan: For the ITP Aero Group it is also essential to optimise mobility in the industrial environment. To this end, measures have been promoted to improve travel efficiency, reduce environmental impact and encourage the use of more responsible means of transport. These initiatives are set out in the Mobility Plan for the centres located in the Basque Country. The aim of ITP Aero's Sustainable Mobility Plan is to reduce the negative impact of commuting to work, through a more efficient and rational change in the mode of transport.The Mobility Plan, approved in October 2023, is still in force at the time of writing this report. Measures implemented include encouraging teleworking, the use of teleconferencing, coordination with the technology park and nearby companies to develop joint solutions, as well as the installation of bicycle racks in the different centres.

Continuous improvement: Each year, in line with our commitment to continuous improvement, we set environmental objectives aligned with the environmental policy, addressing significant environmental aspects, assessing risks and opportunities, and ensuring consistency with the strategy.

These objectives can include different environmental aspects, such as resource use (materials, energy, and water), waste management, dumping, emissions, noise and other aspects that could have a significant impact.

These and other issues are planned and reviewed through environmental committees, in which all centres participate. In 2024, the centres' objectives were approved, which are aligned with the following:

- Reducing CO_2eq emissions and improving energy efficiency through energy saving measures.
- The reduction of total waste generation, and particularly the reduction of the % of waste destined for disposal.
- Reduction in water withdrawal.

The results derived from the implementation of the actions associated with the objectives are set out in detail in the sections with quantitative information on environmental performance: energy, waste, CO2eq emissions, etc.

Environmental responsability: The ITP Aero Group has implemented measures to prevent, avoid and repair any environmental damage that may be caused, in order to return the damaged resources to their original state. Seeking to:

- Strengthen prevention mechanisms to avoid accidents with harmful consequences for the environment.
- Ensure the remediation of environmental damage resulting from our activities.
- Guarantee that the responsibility for the prevention and repair of such damage is borne by the responsible operator.

These measures are regulated by Law 26/2007 of 23 October 2007 on Environmental Responsability, which transposes Directive 2004/35/EC of the European Parliament and of the Council of 21 April 2004. This law establishes a new environmental damage remediation regime according to which operators who cause damage to natural resources or threaten to cause damage must take the necessary measures to prevent such damage or, where damage has occurred, to limit or prevent further environmental damage, as well as to restore the damaged natural resources to the state they were in before the damage occurred.

In previous years, the financial guarantee declaration required by Law 26/2007 on Environmental Responsibility for the Zamudio and Ajalvir plants was submitted to the corresponding administrations on the basis of an ad hoc risk analysis. These statements remain in force without any further updating being necessary.

In addition, ITP Aero applies the precautionary principle and holds civil and environmental liability insurance that covers all plants, to mitigate the consequences of any incident that might arise from its activities.

For the proper implementation and development of the environmental management system, the ITP Aero Group has a total of 16 people (direct and indirect staff) working full time, as well as other professionals who deal partially and indirectly with environmental issues, more specifically in operations to ensure operational control in each of the plants, such as waste management, control of discharges and atmospheric emissions, etc.

The increase in staff numbers from last year to this year corresponds to the increased responsibilities that the function has assumed especially in the areas of energy and climate change.

Culture, training and awareness: ITP Aero Group is fully aware of the importance of a culture of sustainability.

As part of the mandatory training for 100% of the staff, including the induction process for new workshop staff, there is a training course that covers various aspects related to environmental impact prevention in relation to the generation of waste, discharges, optimisation of the use of resources, prevention of accidents with environmental impact, among other topics.

In addition, it is ensured that all personnel who may be responsible for environmental management issues due to their functions receive specific training. Specific actions are an example of this:

- Ad hoc training sessions in all plants, at least once a year, through the performance of drills.
- Training of new recruits carried out in all centres in Spain, Mexico and the United Kingdom. In the Zamudio centre in Spain, more than 20 training sessions have been held.
- Various awareness campaigns have also been carried out, at the request of each centre, to make employees aware of the importance of waste reduction and segregation.

In addtion, awareness-raising notices are published from time to time on the intranet, to which all ITP Aero Group employees have access. The news is disseminated globally or centrally, depending on the scope. These are some examples:

- ITP Aero: among Europe's leading companies in emissions reduction, reflecting a strong commitment to reducing emissions, towards more sustainable aviation.
- Leading circularity in Mexico. ITP generates the first circular economy chain for aerospace industries in Querétaro
- Awareness campaigns to improve waste segregation (organic material)

Compliance: Complying with local and international rules and regulations demonstrates a commitment to environmental protection. It also ensures alignment with best practices in sustainability, reducing impacts and fostering a more responsible and environmentally conscious business culture.

It is therefore worth noting that all ITP Aero Group centres have the corresponding environmental authorisation depending on the activity. The Zamudio and Ajalvir centres in Spain and Hucknall in the UK have Integrated Environmental Authorisation. This authorisation ensures that the centre complies with regulations related to environmental protection, covering aspects such as atmospheric emissions, waste management, resource consumption and pollution prevention. It is a commitment to environmental best practice and to the sustainable management of its operations.

Finally, there were no significant fines related to environmental or ecological issues in 2024 (as in the last four fiscal years).

3.2.2. Impact of our operations

The ITP Aero Group relies on its environmental management system to ensure compliance with the legal requirements applicable to each of its centres and to minimise and prevent pollution through the operational control of its activities.

For this purpose, each plant has the necessary procedures depending on the characteristics of its activities and operations. The following are established through these mechanisms: pollution prevention measures via purification systems, filtering etc.; control measures, periodically analysing emission sources, discharges, noise emissions, etc.; reports to the administration with information related to environmental performance; as well as all relevant internal controls to ensure the above.

The information provided in this section focuses on the ITP Aero Group's facilities in Spain, Mexico and the United Kingdom, except for water consumption, energy and CO2 emissions, which also includes information for the centres in the EE.UU, Malta and India.

Data is included from BP Aero, located in the EE.UU, and recently incorporated into the group. However, it is not available sufficient information to assess its comparability with previous periods.

In relation to data quality, it is relevant to note that during 2024 the company focused efforts on improving the accuracy and reliability of data, especially with regard to material consumption and India's waste management and water withdrawal.

The aggregate data is considered representative, as the centres in Malta and India do not have a material volume from the point of view of their productive size, environmental impact and number of employees (in total no more than 5% of the company's total).

During 2025, the Group will continue to work towards incorporating complete and quality information from all centres.

ITP Aero Group's environmental performance information is detailed below. In general terms, milestones are identified that allow the 2024 data to be assessed against the 2023 data:

- The overall increase in activity in the order of 24%.
- Incorporation of BP Aero into the ITP Aero Group which will have an impact on the absolute indicators.
- The Lincoln plant's production downsizing.
- The new activity of Castings in Mexico.
- The construction of a new building in Zamudio and another one in Mexico.

USE OF MATERIALS AND CHEMICALS

The ITP Aero Group seeks to develop internal operations and activities in a responsible way, seeking better efficiency in the consumption of raw materials to make responsible use of them.

To this end, the Company works on optimising the use of material resources in all phases of the value chain and the recovery of materials through R&D&i activities.

One of the outstanding initiatives is the Revert programme, an initiative that aims to recover and reuse metallic materials throughout the manufacturing supply chain. In recent years, up to 30% of the surpluses generated during manufacturing processes have been recycled, with this percentage of recycling reaching 70% in certain strategic products. ITP Aero Group is working on extending this practice to other types of products. This aligns with the principles of the circular economy, seeking not only to minimise waste, but also to maximise the useful life of resources, thus reflecting ITP Aero Group's commitment to sustainability.

The impact on operations, consumption of materials, water, waste generation, emissions, etc. (both in terms of type and quantity) is directly related to the activity. The one that most influences this category is the recovery of air traffic, where 2024 levels have already surpassed 2019 levels; consequently, deliveries have recovered, along there is a generalised increase in production and maintenance activity at the ITP Aero Group centres.

In addition, it should be noted that the processes and activities in the work centres are not homogeneous, therefore the consumption needs of raw and auxiliary materials vary from one centre to another.

The facilities in Spain mainly consume raw materials such as ingots, castings, forgings, bars, and sheets. These are nickel-chromium based alloys; oils and lubricants as auxiliary materials.

In Mexico, raw materials such as tubes and housings, and auxiliary materials such as aluminium oxide or dielectric oil are consumed.

In the United Kingdom, on the other hand, the main raw material consumed is titanium, as well as nickel alloys and steels.

Materials and Consumables (Quantity) [5]

	2022	2023	2024	Units
SPAIN				
Production material	1,127	1,304	1,358	tn
Production material (tubes)[1]	176,980	256,477	268,063	units
Production material (tubes)[1]	20,750	22,716	27,683	m
Production material (sheets)[2]	851	2,326	1,182	units
Consumables and supplies	1,646	1,969	2,469	tn
MEXICO				
Production material	378	507	628	tn
Dielectric oil[3]	6,400	-	-	Litres
Consumables and supplies	44	49	48	tn
UNITED KINGDOM				
Production material	366	594	527	tn
Production material (units)[4]	22,566	0	0	units
Consumables and supplies	1,674	1,637	1,681	tn

[1] Information is provided in units. Due to the complexity of the products, it has not been possible to convert them to tonnes.
[2] Material identified in this exercise. Data from past years have been included.
[3] The consumption of dielectric oil is now included in the category Consumables and supplies (from 2023).
[4] From 2023 onwards, data are reported in tonnes.
[5] Data from India, Malta and USA (BP Aero) have not been included as it is not material.

On the variation of consumption in 2024 with respect to 2023, the following should be note:

- Zamudio: Overall, the consumption of auxiliary materials has increased by 25%, mainly due to an increase in the use of cutting oil. This increase is due to the change of supplier, which has implied a significant renewal of the existing oil. The consumption of argon for the vacuum furnaces has increased considerably.
- Alcobendas: 9% reduction in paper consumption. Low impact at group level
- Ajalvir: 7% reduction associated with the reduction in cleaning baths: reconditioning of various containers.

As for the use of **hazardous substances** in the operations, it should be noted that the ITP Aero Group strictly complies with all existing requirements and regulations through various mechanisms that are explained below:

REACH

Regulation (EC) No. 1907/2006 (called REACH, acronym for Registration, Evaluation, Authorization and Restriction of chemical substances and mixtures) aims to ensure a high level of protection of human health and the environment, as well as the free movement of substances in the internal market of the European Union, facilitating citizens' access to information on these chemical substances.

The ITP Aero Group has a procedure in place to ensure compliance with the requirements established in this regulation, as well as with resulting legislation. The procedure is applicable to all ITP Aero Group sites where chemicals are used in production processes or manufactured products containing substances affected by REACH or UK REACH regulation, taking into account the entire supply chain: import of substances and/or articles, intermediate uses of substances and/or articles, and sale of substances and/or articles on the market, with either origin or destination in the European Union.

A multidisciplinary coordination team has been created to ensure compliance with these regulations. Furthermore, based on this procedure, the ITP Aero Group has an exhaustive control over all the chemicals affected by REACH in all its centres.

It should be noted that the Group also participates in the TEDAE and HEGAN Chemical Substances Group, and likewise ITP Aero is also a member of ASD, IAEG and the consortium for the reauthorisation of the use of Cr(VI) - ADCR.

SUBSTANCE MANAGEMENT

ITP Aero Group uses various substances as auxiliary materials in certain processes, and to ensure their safe and responsible handling, has implemented procedures that prioritise environmental protection. These protocols are designed to minimise any associated risks, ensuring controlled and efficient handling of substances. Examples:

- All methods for labelling, storage, handling and transport measures of dangerous substances, in accordance with the provisions of the product safety data instructions.
- Reduction of material consumption through optimisation of processes.
- Implementation of environmental emergency measures in order to prevent any impacts associated with the handling of chemical substances.
- Training of employees to safely handle and manage hazardous substances.
- Ensuring the adequate segregation, storage and disposal of waste generated by chemical substances, prioritising reduction, reuse and recycling.
- Wherever possible, look for safer or less polluting alternatives, applying the precautionary principle.
- Investing in clean technologies and more sustainable processes that minimise the use of hazardous substances and reduce their environmental impact.

ENERGY CONSUMPTION

Information on energy consumption in operations is shown in section 3.1.1 "Net Zero - Carbon Strategy", where the relevant data and their evolution over the period under evaluation are analysed.

WATER CONSUMPTION

In the ITP Aero Group, water is withdrawn both for sanitary purposes, as well as in certain industrial processes.

In the facilities in Spain, UK and USA, water comes from the municipal water supply network and is mainly used for production processes, while a smaller proportion is used in offices and for sanitary purposes.

As indicated above, reducing the impact associated with water withdrawal is considered strategic for the ITP Aero Group. Water withdrawal in recent years is shown below.

Water withdrawal (m³) 2024						
Source of extraction	**Spain**	**Mexico**	**United Kingdom**	**Malta**	**USA**	**India**
Mains water supply [1]	152,460		79,745	661	8,475	488
Well water	0	28,844	0	0	0	2,190
TOTAL	**152,460**	**28,844**	**79,745**	**661**	**8,475**	**2,678**

[1] At the date of writing this report, we do not have the invoices that give us certainty on water withdrawal. Therefore, certain data have been estimated based on the annual with drawal and the history of each centre.

Water withdrawal (m³) 2023						
Source of extraction	**Spain**	**Mexico**	**United Kingdom**	**Malta**	**India**	**India**
Mains water supply	130,132	0	74,9191	455	480	488
Well water	2,970	24,786	0	0	2,190	2,190
TOTAL	**133,102**	**24,786**	**74,919**	**455**	**2,670**	**2,678**

[1] The figure differs from that reported in the ESG report for 2023. The figure for 2023 reported last year is an estimate. In 2024, consumption has been measured through meters and it has been seen that the estimate was not real. Therefore, the 2023 data has been revised with the real information obtained through the meters.

Water withdrawal (m³) 2022						
Source of extraction	**Spain**	**Mexico**	**United Kingdom**	**Malta**	**India**	**India**
Mains water supply	118,320	0	43,247	604	453	488
Well water	0	29,621	0	0	2,190	2,190
TOTAL	**118,320**	**29,621**	**43,247**	**604**	**2,643**	**2,678**

In 2024, a total of 272.9 megalitres of water was withdrawn in the Group, 37.4 megalitres more than in 2023. This is 14% more water withdrawal compared to 2023 (without considering BP consumption to ensure comparability).

As part of the effort to improve data quality, information has been obtained for Malta and India for the year 2024 and prior years, giving a complete picture of the group.

The water withdrawal increase is mainly due to the increase in activity, which has averaged 15%.There are centres with significant variations:

- Lincoln: due to the phasing out of activity.
- Ajalvir: a 4% reduction in consumption was achieved due to the repair of leaks in the cooling tower water system.
- Mexico: optimisation of water consumption through water reuse by the wastewater treatment plant. In addition, work began on optimising deionised water in order to save water. The improvement in the irrigation service (equipment, areas and schedules were changed to help use less water) saved about 1,000 m3 of water.
- Zamudio: a series of steps have been taken to monitor readings and prevent leaks, especially on the lines with the highest consumption.

WASTE

ITP Aero has an environmental strategy for waste management, based on the principles of circular economy, which minimises the potential environmental impacts of its activity.

Our priorities are based on the waste management hierarchy and the principles of the circular economy, which include prevention and reduction at source, reuse, recycling and recovery, and finally controlled disposal as the last option.

Within this framework, the company implements a waste segregation system in each work centre from the source, ensuring its correct classification and optimising its recovery. In addition, all waste generated is managed through authorised handlers, who certify appropriate and specific treatment according to its nature, prioritising the reuse of materials to promote a more sustainable and efficient economy.

The main waste products resulting from the ITP Aero Group's activity comes from the component machining process, the treatment and cleaning lines, as well as packaging materials such as wood, cardboard and plastic. In addition, to a lesser extent, waste of a similar nature to municipal waste is also produced, mainly from office areas and rest areas in workplaces.

In all centres it is ensured that:

- Waste is classified, labelled and segregated at source according to its type and how hazardous it is, to facilitate its subsequent management and appropriate treatment.
- It is stored safely to avoid dispersal, contamination or risks to health and the environment, and to ensure it is correctly identified.
- It is handed over to authorised and certified waste managers for treatment and disposal.
- A record is kept of the waste generated and its destination, ensuring that all related documentation is up to date and accessible.
- Waste prevention and reduction: Producers should implement measures to reduce the amount of waste generated, promoting reuse and recycling.
- Extended liability: In some cases, producers must assume responsibility for the management of the entire life cycle of their products, including the waste generated after use, in accordance with extended producer responsibility (EPR) regulations.
- Hazardous waste notification: If the waste is hazardous, the producer must comply with specific notification and labelling requirements and ensure its treatment and disposal in accordance with the specific regulations for these types of waste.

These obligations are designed to minimise the environmental impact of waste and promote more sustainable practices.

Finally, it should be noted that the ITP Aero Group has not developed any actions or measures to deal with food waste, since its area of activity does not generate a relevant amount of this type of waste.

The waste generation data is shown below.

WASTE GENERATED (Tn)

	2022			2023			2024			
	Spain	Mexico	United Kingdom	Spain	Mexico[1]	United Kingdom[1]	Spain	Mexico	United Kingdom	USA
Hazardous waste	842	170	367	1,093	226	410	1,455	190	423	13
Non-hazardous waste	2,122	331	470	2,497	458	574	2,904	514	337	566
TOTAL	**2,964**	**501**	**837**	**3,590**	**684**	**984**	**4,359**	**704**	**760**	**579**
Total waste recovered (no disposal)				2,423	516	601	3,068	473	412	-

[1] Correction of 2023 data errors detected in the database: certain waste proportions in Hucknall and Mexico were considered as recovered waste in 2023. ITP Aero's strategic objective considers disposal, any type of incineration (with or without energy recovery). In this respect, the data for 2023 have been corrected.

In 2024, waste increased by 21% compared to 2023, mainly due to the increase in activity.

Some important milestones of 2024 to highlight, in centres in Spain:

- Modification of treatment contracts from D (disposal) to R (recovery/recycling): it was possible to modify the treatment of some waste that was going to be disposed of in such a way that it is now recovered, such as the refractory material in Zamudio, the cutting fluid and alkaline solutions in Ajalvir and the vermiculite in Castings. Waste destined for disposal decreased from 35% to 17% in Derio and from 47% to 30% in ITA. In total, 46.7 tonnes of waste were prevented from being sent to landfill.
- Introduction of bins for organic waste in rest areas in order to improve selective collection, in in ITA, Derio and Zamudio.
- In Ajalvir, segregation of clothing waste from industrial waste.
- In Castings, classification to optimise recovery and disposal of waste to landfill.
- In Zamudio, in addition to the activity, the amount of waste has increased due to emergencies and incidents with an impact on the environment. On the other hand, it is worth noting that waste for disposal decreased from 33% to 30% (vs the total).
- Ajalvir: total waste was reduced by 22%. In 2023, there was a generation peak due to an emergency.

By 2025, work will be done at the sites to reduce both the amount of waste generated and the proportion of waste going to disposal.

ATMOSPHERIC EMISSIONS

The Group's sites carry out activities that have an impact on the atmosphere, either through emissions or noise generation.

Pollutants emitted include gases such as carbon dioxide (CO2), nitrogen oxides (NOx), carbon monoxide (CO), volatile organic compounds and particulate matter, etc. The ITP Aero Group is fully aware of the negative effects that these emissions can have, so strives to manage and reduce them in order to mitigate their impact and contribute to a more sustainable and healthier environment.

Reducing the impact of atmospheric emissions, controlling noise levels and improving local air quality are key aspects that the ITP Aero Group addresses in its strategy to reduce environmental impact...

Greenhouse gas emissions

Greenhouse gas emissions are discussed at length in section 3.1.1 "Net Zero - Carbon Strategy". Additionally, the ESG Strategic Objective with regards to CO2 Emissions, is detailed in this section.

Other atmospheric emissions

The ITP Aero Group has an inventory of the mobile and fixed sources, diffuse emissions, etc. existing in the installations.

Group companies comply with the relevant environmental requirements:

- Compliance with emission limits: We ensure that emissions into the atmosphere do not exceed the limits set by the relevant authorities. To this end, it is ensured that all emission sources in the different plants have control systems in place to reduce environmental impact, in order to ensure legal compliance at all times.

- Environmental controls of the plants through an accredited control body, which carries out periodic measurements of the levels of atmospheric emissions generated by the production processes. In all ITP Aero Group plants, the preventive controls applied to the sources of atmospheric emissions have been properly maintained, ensuring compliance with the applicable requirements and optimal operation of the processes, which results in adequate control and prevention of pollution and compliance with the limits in each case.

- Relevant environmental permits: Integrated Environmental Authorisation, e.g. in the case of Zamudio, Ajalvir and Hucknall; Single Environmental Authorisation, or the corresponding authorisation.

ITP Aero Group considers different strategies to reduce the amount of pollutants released into the air and minimise their impact. Some of these are the following:

- Improvements in energy efficiency: Optimising energy consumption in industrial and transport processes, which reduces the generation of emissions derived from the use of fossil fuels.

- Preventive maintenance and optimisation of equipment, ensuring that it operates efficiently to minimise emissions derived from wear and tear or malfunctioning.

Finally, it is worth mentioning that, thanks to the reduction plan implemented during 2024, which is based on the use of VOC-free substances, the excess VOCs used in the surface cleaning process at the Castings Barakaldo (detected in 2023) centre has been corrected.

DISCHARGES

Most of the Group's centres generate discharges into the water, both of sanitary and industrial origin. Industrial discharges are directed to a separate network connected to the corresponding sewerage system (municipal, consortia, etc.). Before being discharged, the water passes through the necessary purification systems, which guarantee compliance with the parameters required by the corresponding sanitation systems.

At each site, the treatment system is adapted according to the physico-chemical characteristics of the discharge. To ensure water quality and compliance with the established standards, regular discharge monitoring is carried out at all the Group's sites.

As a significant improvement implemented in 2024, a new control unit has been installed at the Ajalvir wastewater treatment plant, helping to mitigate the risk of obsolescence and improve alarm and process monitoring.

During 2025, awareness campaigns will be launched to prevent impacts on discharges.

In addition, the identified actions aligned with the strategic water consumption target will also help to reduce the impact on discharges.

NOISE

In order to ensure adequate outdoor noise levels and minimise noise pollution caused by its operations, the ITP Aero Group carries out periodic measurements of the noise level generated by its facilities, in addition to installing both measures to act at the source and outdoor noise minimisation or reduction systems, such as shielding.

In Spain, the low noise levels at the Zamudio plant have made it possible to reduce the frequency with which the measurements required by the administration are carried out, going from three to five years. In 2023, a noise measurement campaign was carried out in the centre, with favourable results.

In the Ajalvir centre in Madrid, the impact of the test bench noise is reduced through shielding systems.

In both Albacete and Ajalvir, noise measurements were carried out during 2024. They were below legal levels in both cases.

In the United Kingdom, an acoustic enclosure plan is being implemented in the centre of Hucknall in order to prevent noise from affecting neighbours who are building houses in the vicinity of the plant. Most of the sound insulation work has been carried out. After completion, a measurement will be carried out to ensure compliance with the limits.

BIODIVERSITY

The Ajalvir facilities are located to the south west of the Special Protection Area for Birds. The “Cereal Steppes of the Jarama and Henares Rivers”. The activity carried out at the ITP facilities in Ajalvir does not affect this protected area and is not limited by proximity to it.

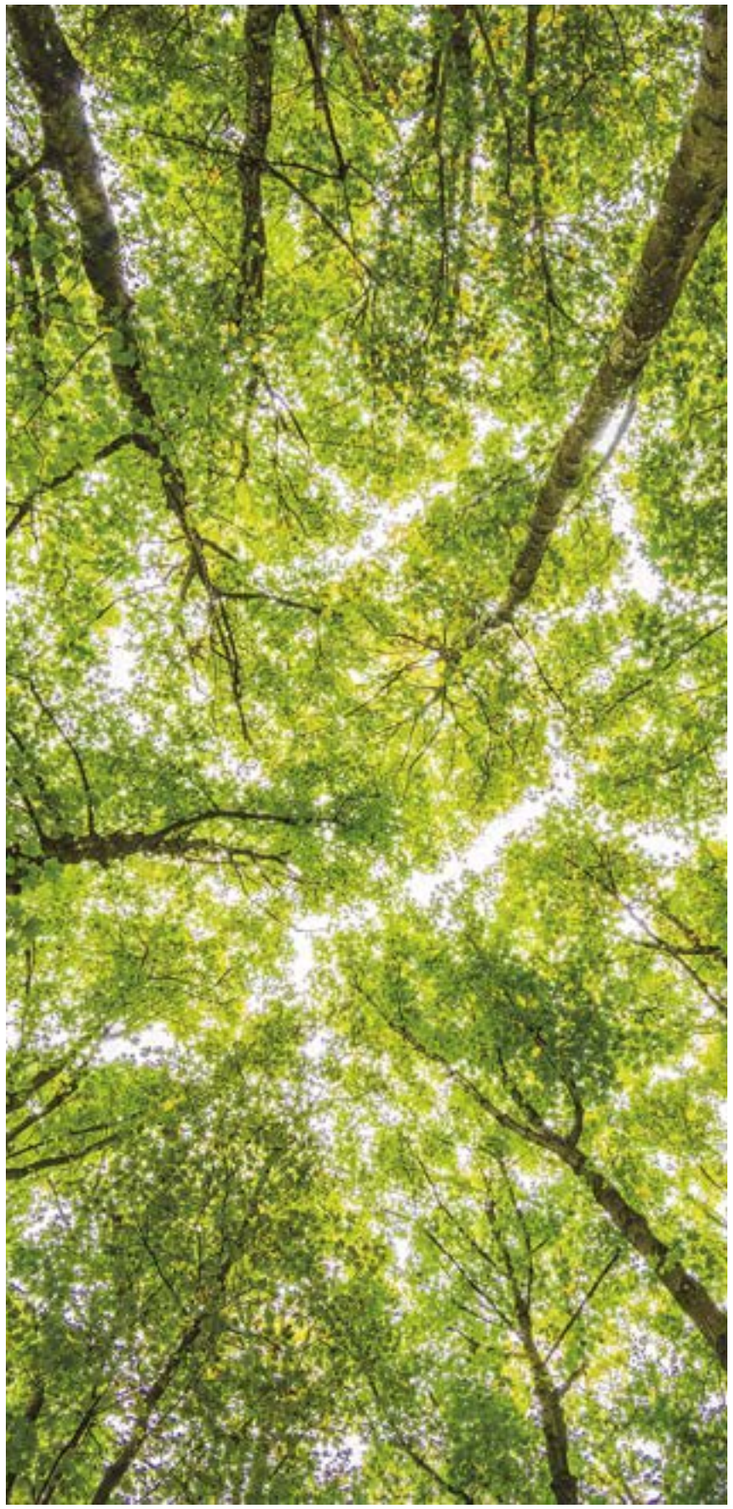
Additionally, there is an oak grove within the facilities of the ITP plant in Zamudio. Regarding this, we ensure that:

- The oak grove area is kept free of any construction or installation that could be potentially dangerous.
- The oak grove is cared for and that the trees are preserved in number and form.
- If trees need to be felled, new trees must be planted. The number will depend on the diameter of the tree felled.

Thus, we ensure that the oak grove “is maintained and preserved in a good state of conservation”.

LIGHT POLLUTION

Given the location and characteristics of the productive activities carried out by ITP Aero, there is no significant impact in terms of light pollution.



4. S – SOCIAL

4.1. OUR PEOPLE - WORKING ENVIRONMENT

With the ESG strategy, approved in 2023, within the Social dimension, the ITP Aero Group reinforce its commitment to be a great place to work and aims to continuously improve, ensuring equal opportunities for all.

To this end, a strategic approach has been established to create a safe working environment and working conditions that ensure equal opportunities, as well as the professional and personal development of all employees. Therefore, objectives related to the following priorities have been defined: employee engagement, health and safety (H&S) and diversity, equity and inclusion (DEI).

The headcount as of 31 December 2024 reached 5,689 employees. This growth in headcount is explained by the increase in the workload resulting from the recovery of the aeronautical sector after the pandemic and the good prospects for the renewal of aircraft fleets and their engines, as well as maintenance activity.

+14% staff
in 2024

+16% women
in 2024

As part of the professional development process of our people, the ITP Aero Group promotes the mobility of workers to relocate to work in other workplaces both within Spain and in other countries. At the end of December 2024 there were 41 workers taking advantage of this mobility opportunity.

4.1.1. Quality recruitment and employment

The ITP Aero Group prioritises quality in employment, to this end the majority of new hires are mainly temporary contracts, which are then transformed into permanent contracts, once the corresponding trial period has been successfully completed.

In 2024, permanent contracts predominated (94%) compared to temporary ones (6%) and full-time contracts make up the majority (99%), with very few part-time contracts (1%).

Permanent contracts and temporary contracts are consistent in terms of percentages with the 2023 fiscal year, with permanent contracts predominating over temporary contracts. In turn, in 2024 there were a significant number of new hires, resulting in a net increase of 682 employees compared to the 2023 fiscal year. This continues the trend of annual workforce growth exceeding 10% over the past 3 years, establishing the company as a global recruitment hub in the aviation engine sector.

The evolution compared to the 2023 fiscal year in terms of full-time and part-time hiring resulted in minimal variations, with an increase of 2% in full-time contracts and a decrease of 2% in part-time contracts.

In 2024 there have been 53 dismissals, compared to 25 dismissals in 2023.

4.1.2. Wage gap and average remuneration

The ITP Aero Group is committed to salary equity and ensuring that remuneration decisions are made objectively and without the influence of diversity biases. Its Compensation policy considers a wide variety merit-based factors including professional qualifications, experience level, job responsibilities, and the impact and contribution of each role in the organization. At ITP Aero, we believe in creating a fair and transparent workplace where all employees are valued and rewarded equitably for their contributions. By regularly reviewing our remuneration policy, we aim to promote a culture of inclusion, integrity and excellence. Our goal is to attract, retain and develop top talent while upholding the principles of fairness and equal opportunity for all.

At the end of December 2024, the ITP Aero Group counted 5,689 employees, compared to 5,007 at the end of 2023, which represents a net increase of 14% or 682 people. This increase is driven by two contributing elements a) the incorporation of 243 USA based BP Aero employees into the Group and b) the net growth of 439 people in other sites around the world in support of the growth of the ITP Aero Group business. The gender mix of ITP Aero Group's workforce addition is 81% men and 19% women, consistent with past data, however if one looks solely at the increment hires excluding the addition of the established BP Aero team , the mix is different with the ratio being 24% women and 76% men, reflecting a continued focus on creating opportunities for a diverse workforce.

ITP Aero Group is a global organization. We are committed to achieving gender wage equity across all the regions in which we operate, recognizing that historical, economic and cultural factors unique to each location can influence pay structures as such our approach considers the diverse contexts of each site, including local labour markets, industry trends and historical disparities, while ensuring that our remuneration practices remain fair and equitable. While these factors may impact the overall results, we are dedicated to driving progress across all of sites and regions by implementing consistent pay equity processes and performing regular reviews to ensure we are progressing towards our objectives.

Looking deeper into each region, the Gender gap in Spain, where more than 61% of employees (3483 employees, with 20% females) are based, is best in class at 1,28%, and significantly lower than the national average of 17% (Spanish Government 2025 – reference year 2022), demonstrating the group's commitment to equity.

In Mexico, where 19% of the Group's employees are based (1,062 employees, 26% females), and where the country gender gap is about 35% (WEF- World Economic Forum 2025 – reference year 2024), ITP Aero Group's Gender gap, in Mexico, is 11,76%, less than 1/3 of the country level. From 2023 to 2024 we do see an increase of 3,18%, however this is driven by the fact that overtime and seniority allowances are primarily accessible to males due to historical hiring and talent availability. One key data point to confirm our commitment is that when looking solely at the base salary the gap reduces to 6.56%.

In the UK, where 15% of our employees are based (837 employees, 7% females) the Gender gap is 0,37%, a significant reduction from 2024 where the gap was 5.19%. The improvement is driven by the recent promotion of talented females at different levels of the organization and their resulting remuneration. Our performance in the UK is once again market leading as the country gender gap is at 7% (UK Office of Statistics 2025 – reference year 2024).

The Gender gap in BP Aero USA, where 4% of our employees are based (243 employees, 14% females), is 18,02%. As this is the first year we count BP Aero in the ITP Aero Group numbers, 2023 compare information is unavailable. With BP Aero now part of the ITP Aero Group family, the Group will work together with the BP Aero team to continue to drive progress and improvements taking into consideration local labour markets, industry trends and historical disparities, while ensuring that our remuneration practices remain fair and equitable

Bringing all the elements together, at the Group level and consistent with the recommended calculation methodology[3], the gender gap in 2024 is 10.78%, which represents an increase of 3.78% compared to 2023. The main drivers for the gender gap increase as discussed are the incorporation of BP Aero into the Group figures and other small changes in other sites and once again if we look at the global gender gap solely looking at base salary, the gap for ITP Aero Group is 6.37%.

At ITP Aero Group, our goal is to balance regional realities with our broader commitment to equity, ensuring that all employees are compensated fairly for their contributions regardless of gender, as such every year we continue to review our policies and approach to achieve our goals.

The table below provides an overview of the pay gap in the main countries of the ITP Aero Group in 2024:

BY COUNTRY

	Spain			Mexico			UK			USA		
Headcount	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**
	2.803	680	3.483	791	271	1.062	777	60	837	209	34	243
	80%	20%		74%	26%		93%	7%		86%	14%	
Joiners 24	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**
	337	95	432	148	62	210	36	3	39	49	4	53
	78%	22%		70%	30%		92%	8%		92%	8%	
Total remuneration (average)			**GAP**			**GAP**			**GAP**			**GAP**
		2024	1,28%		**2024**	11,76%		**2024**	0,37%		**2024**	18,02%
		2023	-0,79%		**2023**	8,58%		**2023**	5,19%			
Base Salary (average)			**GAP**			**GAP**			**GAP**			**GAP**
		2024	-6,45%		**2024**	6,56%		**2024**	6,95%		**2024**	8%
		2023	-6,72%		**2023**	4,81%		**2023**	4,81%			

[3] Calculation following the recommended practice of normalizing total remuneration (equalizing working hours and periods) with the formula (average total remuneration for men - average total remuneration for women) / by the average total remuneration for men.

4.1.3. Remuneration management - ReWell

In 2024, the ITP Aero Group has completed the rollout of the ReWell platform in Mexico for personalised management of each employee in two key areas a) access to discounts and b) information on wellbeing.

With this addition, the platform is now operational in the three main regions of employment: Spain, Mexico and the United Kingdom.

Each employee can activate flexible remuneration through ReWell by contracting various products or services (health insurance, improved life and accident insurance, transport to the workplace, purchase of IT equipment, training, retirement savings mechanisms, etc.) depending on the organisation to which they belong. This reduces their cash remuneration while applying the tax benefits established by current legislation. In this way, each employee can identify the products or services that are of interest to them at any given time, know their cost and the tax impact if applicable.

In addition, the ReWell platform facilitates access to a multitude of discounts (more than 450) where ITP Aero Group employees and their beneficiaries can purchase products and services with discounts or refunds.

This platform also provides monthly recommendations on wellbeing covering the different pillars: physical, emotional, social, financial and professional.

In addition, in 2024 the ITP Aero Group has launched the programme of access to gyms co-financed by the company so that its employees can improve their physical fitness, both in Spain and Mexico, completing the programme already available in the United Kingdom.

4.1.4. Work organisation

The ITP Aero Group meets the work-life balance needs of its workforce using tools for managing flexibility in working time that balance the needs of the company with the work-life balance of its employees.

The work organisation scheme may vary depending on the country in which the workplace is located and the applicable collective agreement and labour legislation. However, as a general rule, the number of annual hours is determined in collective agreements through negotiation with the representatives of employees where the different types of working hours are also established.

In Spain there are several working modalities: split working hours, continuous working hours on Fridays, and different schedules for shift workers. In Mexico, there are short Fridays and long Fridays depending on personal needs, as well as shift work for productive staff.

In all cases, these shifts are established for productive, organisational and technical reasons.

There are several working arrangements: split shifts, continuous working hours on Fridays, and different schedules for shift workers. These shifts are established based on productive, organisational and technical reasons.

Depending on the country in which the workplace is located and the applicable collective agreement, there are different measures to improve the balance of personal and professional life, which include:

- Work schedules that favour work-life balance.
- Agreement on the regulation of working hours applicable to certain centres in Spain that allow for flexible working hours, in a self-regulated and trusting environment.
- Flexibility in arrival and departure times at the workplace (from 1 to 3 hours depending on the work centre) for office jobs.
- Calendars with holidays preferably organised during the Christmas, Easter and summer periods, as well as bank holidays and long weekends.
- The hybrid work model that includes the possibility of working partially from home in many Group functions.

At ITP Aero Group, it is promoted a flexible work environment that favours the work-life balance of its employees. Through the **digital disconnection policy**, it is ensure that all professionals can enjoy their rest time, holidays and leave without the pressure of always being available to respond to communications outside working hours. This policy establishes the right to completely disconnect from digital work tools at the end of the working day, promoting people's well-being and mental health. ITP Aero Group also fosters a culture of respect for personal time, recognising the importance of digital disconnection as a fundamental right, without affecting its commitment to quality and service.

The application of this policy extends to all ITP Aero Group employees, regardless of their work mode, whether on-site or remote, and is complemented by the responsibility of team leaders to promote a balanced use of technologies and respect for everyone's time to disconnect.

4.2. HEALTH AND SAFETY

In the ESG strategy, approved in 2023, the ITP Aero Group has the ambition to be a great place to work that ensures a safe working environment for its people. For this reason, Health and Safety (H&S) is a priority in the ESG Strategic objectives for the coming years.

4.2.1. Health and safety management system (H&S)[1]

In 2024, a new **H&S policy** was defined and approved by the Board, separate from the Environment policy, in which the following are identified:

- It is applicable to all employees, contractors and visitors on company premises.
- It follows the international standards and regulations for which it is certified (ISO 45001).
- It reflects a firm and continuous commitment to the continuous improvement of the management system and the associated results achieved.
- The implementation of as many improvement plans as necessary.
- The need to monitor compliance and effectiveness of established measures through objectives and KPIs. Annual objectives linked to H&S will be defined, approved and disseminated in an appropriate manner.

As part of ITP Aero's health, safety and environmental policy, the company promotes measures to:

- Create a safe and healthy working environment for everyone on Group sites (employees and non-employees) that supports employee well-being and minimises the risk of injury, work-related health problems or environmental incidents.
- Prevent or minimise the negative impact on health and safety of our activities, products and services, and to promote the sustainable use of resources.

In terms of health and safety, the ITP Aero Group has an occupational safety team that operates corporately and locally at each work centre. All the centres have Self-Protection Plans or emergency documents (depending on the existing legal requirement), which allow an adequate response to emergency situations that guarantee the safety not only of employees but also of third parties in the environment, all in compliance with the regulations in force on occupational safety and civil protection in each territorial area.

Specifically, collective agreements provide for the existence of health and safety committees, which are the competent bodies in matters of occupational health and safety and are responsible for 100% of matters relating to these issues.

The Health and Safety (H&S) organisation at ITP Aero Group globally is audited annually by an accredited external company, and is multi-site certified in accordance with ISO 45001.

85% of ITP Aero Group employees work in workplaces within the scope of **H&S 45001 certification**. The only non-certified centres are India, Malta and BP Aero (US). BIDCO has been included in the scope of ISO 45001 certification as of June 2024.

In any case, in order to ensure legal compliance in non-certified centres, H&S legal audits were carried out throughout the first half of 2024 to ensure regulatory compliance in this area, defining the necessary plans after these audits to achieve adequate legal compliance in these centres. With this action, the coverage of % workers under an H&S audit system across the entire ITP Aero Group would reach 100%.

In Spain, the preventive organisation follows a joint service model for all the companies/centres located in the country. Following the legal requirement, statutory audits are carried out every 2 years to ensure that both the organisation and the resources employed are adequate in this respect. In 2024, the legal audit (according to RD 39/97) was successfully passed in all centres/companies within the scope of the SPM (Servicio de Prevención Mancomunado - Joint Prevention Service) in Spain.

In terms of health, during the year 2024 the ITP Aero Group has outsourced health monitoring, carrying out annual medical examinations of workers and applying the corresponding medical protocols according to the risks identified in the existing risk assessments. Medical care is available in the most representative factories.

[1] Ratings, awards, and certifications vary depending on the scope of the companies to which they apply. As a result, in some cases, references may be made to ITP Aero rather than the Group.

During 2024, ITP Aero Group continued with the implementation of improvement plans to reduce accident rates, including ergonomic improvements, performance monitoring (both formal and operational) of contractors and improvements in working conditions.The year ended with 91% compliance with the milestones defined globally in this aspect and 96.3% compliance with the preventive plans for the H&S area throughout ITP Aero.

The ITP Aero Group takes measures to guarantee health and safety at work, including training and information, risk assessment and management (mitigation and improvement plans), process standardisation, behavioural improvement, health monitoring, emergency management and self-protection plans, among others.

The H&S courses given in 2024 with the highest number of attendees were: initial training (new recruits), emergencies (fire and first aid), use of cranes and hoists, forklift trucks, work with chemical products and remote work (for all those who use teleworking).

During the year 2023, a 2023-27 Health Plan was defined, included in the ESG Plan of the ITP Aero Group. In 2024, the planning of this has been 100% completed, with an objective improvement of 47% in the control enablers of this plan

Operations control and H&S system maturity management at each site is based on various dynamics and routines. Among them, the most representative are the following:

- Performance and performance monitoring: Heat maps, improvement plans (IMPP) and preventive planning. Control and monitoring of the status, integration and consolidation of the H&S system in the company is carried out by means of half-yearly assessments of 45 factors or enablers. In 2024, the overall rating improved by 5.4%.

- Multidisciplinary change control and management, managed through a corporate tool. In 2024, 428 change management applications were registered and analysed globally.

- Active access control and preventive performance of contractors working on ITP Aero Group premises.

- Accident and incident investigations. Management, registration (carried out following the 5 Whys methodology) and follow-up of actions using the corporate tool IMT (Incident Management Tool), ensuring control of the performance of action closure and dissemination of this information.

- Improvement Plans (IMPPs): Corporate and site or company-specific/ challenges met. Modification/adjustment and monitoring of BPDs (Business Plan Development) - Corporate, site and DOP (Directorate of Operations) milestones. In addition to the improvement plans (both those addressing weaknesses and those seeking qualitative improvement), a routine of challenges has been set in recent years to enhance behaviours and foster greater commitment to the health and safety of all Group employees. Since 2020, 265 challenges have been completed (76 of them in 2024).

- Mitigation plans included in the Risk Management methodology. Meetings and follow-ups of the H&S area with the Risk Management and Audit area are held on a quarterly basis. Throughout 2024, four mitigation plans have been launched with the aim of eliminating or containing the most significant identified risks.

- The health services and medical control of own employees' skills are carried out in accordance with the legal requirements applicable to each of the ITP Aero Group's centres. Through the Business Activity Coordination routines, health validations of external workers accessing the Group's centres are requested and monitored.

- At each site, and in accordance with legal and internal requirements, forums or committees are held periodically to assess the actions taken, review the results achieved, and involve employees in these initiatives and improvements. In addition, at the corporate level, a quarterly committee is held to share the results from all sites and propose improvement plans on a global scale, ensuring that measures and best practices are implemented across the entire ITP Aero Group.

4.2.2. Employee Accident rate indicators

Employee accident rate:

The accident rates for 2022, 2023 and 2024 are shown below:

RESULTS	2022			2023			2024			23 VS 24
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Delta Total
Accidents with sick leave	3	30	**33**	8	18	**26**	3	34	**37**	**+42.3%**
Fatalities	0	0	**0**	0	0	**0**	0	0	**0**	**---**
Accidents without sick leave	9	73	**82**	8	91	**99**	8	56	**64**	**-35.3%**
Frequency rate	1.93	4.99	**4.34**	5.37	2.65	**3.14**	1.72	4.54	**4.01**	**+27.7%**
Severity Index	0.02	0.22	**0.18**	0.39	0.25	**0.27**	0.29	0.37	**0.35**	**+29.6%**
Incidence Rate[1]	0.38	0.81	**0.73**	0.9	0.45	**0.53**	0.28	0.74	**0.65**	**+22.6%**
No. of days lost due to OAs/ODs [4]	---	---	**---**	279	1,142	**1,421**	298	2,232	**2,530**	**---**
Occupational diseases	5	6	**11**	4	4	**8 [1]**	2	6	**8 [2]**	**0%**

[1] Total of 8 Occupational Diseases in 2023 = 7 with sick leave and 1 without sick leave.
[2] Total of 8 Occupational Diseases in 2024 = 6 with sick leave and 2 without sick leave.
[3] BP Aero accident data from the beginning of its reporting (H2 2024) is included.
[4] Only lost working days due to recordable accidents included in the requested indices and occupational diseases resulting in sick leave are considered. Therefore, lost working days due to commuting accidents are not included in this figure. The total number of days lost in 2024 would be 3,272.89 (2,776.39 for men and 496.50 for women).

Definitions:

- **Accident with sick leave:** Any bodily injury sustained by a worker during or as a result of work on behalf of others which results in incapacity to work for more than one day/shift.
- **Accidents without sick leave:** Any bodily injury sustained by a worker during or as a result of work on behalf of others which results in incapacity to work for less than one day/shift.
- **Accident resulting in death (Fatality):** Any bodily injury that the worker suffers on the occasion or as a consequence of work performed on behalf of another and resulting in death for the affected worker.
- **Frequency rate:** is an indicator of the number of times during a given period that workers were exposed to the risk of an accident at work. The frequency index corresponds to the total number of accidents with injuries per million man-hours exposed to the risk. F.I. = (No. of Accidents with sick leave / No. of Workers) x 1000000.
- **Severity Index (S.I.)** Represents the number of days lost per thousand hours worked. S.I. = (Days Lost / Hours Worked) x 1000
- **Incidence Index** Defined as the ratio between the number of accidents recorded in a period of time and the average number of people exposed to the risk in question. I.I. = (No. of Accidents with sick leave / No. of Workers) x 100
- **No. of days lost due to OAs / ODs:** Full days or full shifts lost due to occupational accidents and diseases.
- **Occupational disease (OD):** is the disease contracted as a result of working in the activities listed in the Table of Occupational Diseases (it must be classified as a possible occupational disease).

Health and Safety, H&S, as a priority within the ESG strategy, has set an objective of improvement for the coming years:

ESG Strategic Objective[2]:

HEALTH AND SAFETY

- HS System with 100% coverage by 2025.

  In 2024, thanks to the systematic system of legal HS audits carried out at sites not included in the 45001 certification, 100% coverage of ITP Aero Group employees at sites/companies whose HS performance is controlled by an audit system has been achieved.

- Reduce rate of incidence (TRI) to 0.34 by 2027. Baseline 2022: 0.47.

  This objective will be updated to be aligned with the new perimeter of ITP Aero Group.

  2024 closes with a good TRIR result of 0.307 versus the 2024 target (TRIR) of 0.40. Although it has exceeded the 2023 results, it is aligned with the 2023-2027 targets. BP Aero accidents were not included in the target as they were not included in the scope at the time of definition.

TRI (TOTAL REPORTABLE INCIDENTS)

RESULTS	2022			2023			2024			23 VS 24
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Delta Total
TRI #	2	19	**21**	3	8	**11**	2	15	**17**	**+54.5%**
TRIR	0.25	0.51	**0.47**	0.32	0.2	**0.22**	0.20	0.33	**0.307**	**+39.5%**

Definitions:

- **TRI #:** Total Reportable Incidents = work-related injury. Occupational accidents defined by law (during working hours) that are not directly related to work are not considered TRI. Commuting accidents, injuries occurring during work but not related to work (e.g. heart attack, stroke) and occupational diseases are not included in the same way: See ESRS S1-14, c.

- **TRIR:** Total Reportable Incident Rate = (number of reportable incident (TRI#) / average number of workers) x 100

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

4.2.3. External Accident rate indicators

As part of the plan to improve the monitoring and performance of contractors in place during 2024 and with the aim of increasing control and awareness, establishing regular meetings and improvement plans for contractors based on the performance shown, the following results have been obtained:

RESULTS	EXTERNAL		
	Female	Male	Total
Accidents with sick leave	0	6	**6**
Accidents without sick leave	1	7	**8**
Fatalities	0	0	**0**
Occupational diseases	0	0	**0**

External: Included are all accidents of staff within ITP Aero sites who are not ITP Aero Group staff.

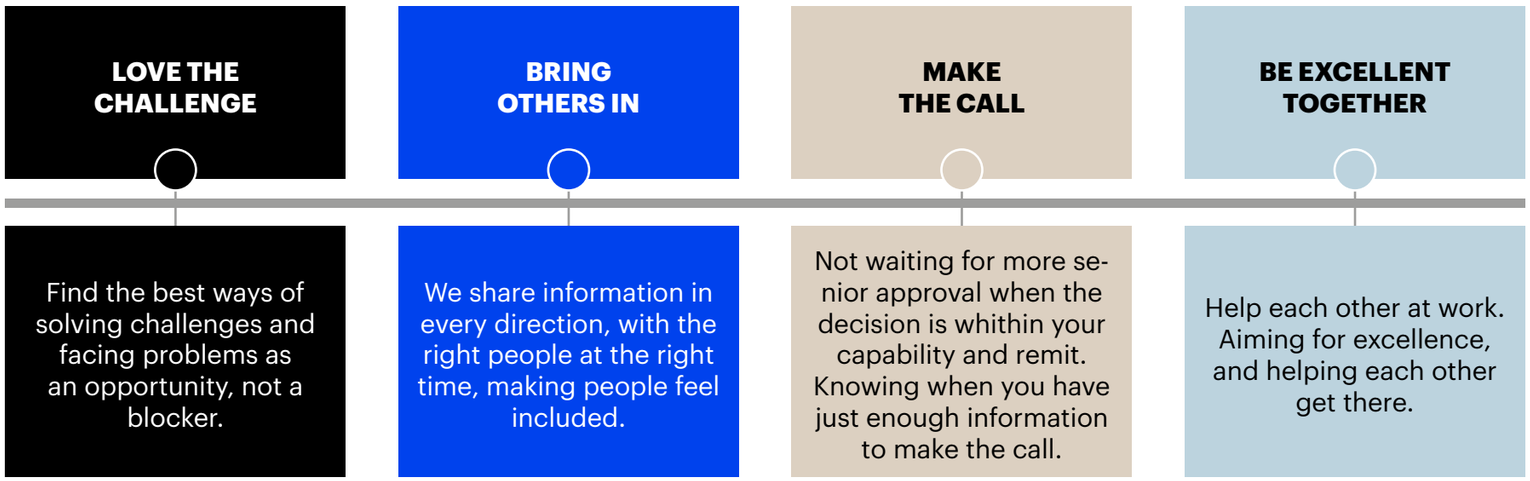
The accident and incident control and monitoring tool is being adapted in order to have the data on days lost due to accidents and occupational diseases of contractors in the next report.

4.3. CULTURE AND TALENT DEVELOPMENT

4.3.1. Our high-performance culture

The ITP Aero Group continues to promote its High-Performance Culture through different initiatives to achieve great results in a sustainable way in a healthy working environment.

As part of the Strategic Plan, in 2024 we have launched a communication plan focused on the behaviours we want to reinforce within the Company to achieve our objectives. These behaviours serve as the benchmark for recognising and rewarding individuals at ITP Aero Group.



DEPLOYMENT OF OUR HIGH-PERFORMANCE CULTURE

While in previous years ITP Aero Group was focused on training leaders and office people in our high-performance culture, in 2024 the focus was on factory workers in Spain, Mexico and the UK. In the training sessions they were challenged to take the initiative and rely on others to achieve excellence as a team. A total of 2,031 people participated and 85% rated the learning experience positively.

OUR LEADERSHIP MODEL

Individuals who are promoted to managerial positions, as well as new leaders joining the company receive in-person training on the ITP leadership model as a common framework for Inspiring trust, Transforming vision into results and Promoting development.

In 2024, 43 new leaders have participated in the programme with an average rating of 4.5 out of 5.

RECONOCE: GLOBAL AWARDS FOR OUR VALUES AND BEHAVIOURS

Recognition is an integral part of the company's culture. Each year, through the global REconoce initiative, ITP Aero Group rewards people who, in their day-to-day work, consistently exemplify the values and behaviours that are aim to be reinforced. The entire staff can participate by submitting their recognitions through a digital application and voting for other nominations.

In this fourth edition participation has grown reaching 1,426 recognitions for 919 people across various ITP Aero centres, demonstrating the positive reception of this initiative.

4.3.2. Employee Listening Strategy

In October 2024, the "Building ITP Aero Together 2024" survey was launched as every year, with the aim of listening to the opinions of employees on aspects relevant to making a difference in companies with a high-performance culture.

A total of 4,814 people participated in the survey, ***86% of the workforce***, which was an improvement of 2 points over last year's edition and the highest response ever.

The survey, conducted entirely online across all countries, consisted of 30 questions grouped into 3 sections: Our Culture, Sustainable Commitment and Employee Experience. The dimensions with the highest percentage improvement compared to 2023 were Development, Innovation and Diversity & Inclusion. There is an increased perception that at ITP Aero Group people have opportunities to develop their potential, to propose innovative solutions and to address work-related challenges, as well as that the Management supports equal opportunities within ITP Aero Group . The rest of the indicators remain stable.

Three question that obtain positive results above 80% have been highlighted: employees are committed to the company's objectives and priorities (88%), they are proud to be part of ITP Aero Group (87%) and they consider that there is a good working environment (81%).

For the second consecutive year, the eNPS (employee net promoter score) is measured, a universal indicator to measure commitment based on a single question: "Would you recommend ITP Aero as a good place to work?". The overall result places us within the objective of belonging to the ***top 25% of the world's most highly rated companies in the industrial sector.***

ESG Strategic Objective[2]:

EMPLOYEE ENGAGEMENT

- Achieve an excellent Employee Net Promoter Score by 2027. Participation target: 85%.

	2023	2024
Employee Net Promoter Score (eNPS)	41	37
% of employees who responded to the survey	84%	86%

As part of its ambition to be a great place to work, within our ESG strategy, ITP Aero Group hasset the goal of maintaining this level of performance in the coming years.

The results of the survey are shared with all staff and both global and team improvement plans are activated and followed up during the year.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

4.3.3. Talent development processes

The objective of the people and team development process is to ensure the fulfilment of strategic challenges in a manner consistent with our culture.

ITP Aero Group's different Talent processes are aligned to ensure a strong development environment for employees: Recruitment and Onboarding, Learning, Performance monitoring and Talent Review.

The management and reporting systems for data analysis have been improved, allowing for the measurement and monitoring of the main effectiveness indicators: lead-time selection, completed onboardings, agreed challenges, registered feedback sessions, completed courses and actions derived from the annual talent review, among others. Each manager has access to a scorecard with their team's data to monitor these indicators.

RECRUITMENT AND ONBOARDING

The Recruitment and Onboarding processes are governed by the Recruitment and Selection Policy, which lays the foundations for developing processes based on competencies and behaviours. The ITP Aero Group has a corporate interview model aligned with our Culture, which seeks to determine the degree of suitability of a person to the required competencies in each position in an objective and unbiased manner, providing equal opportunities for all candidates

There were more than 366 people trained and in 2024 more than 800 selection processes were carried out utilising this model, both internally and externally.

The Group encourages all employees to update their Curriculum Vitae (CV) and indicate their career aspirations throughout the year. This information is visible both to their direct manager and to the recruitment team, who take these mobility preferences into account when filling internal vacancies.

In addition, all new recruits undergo online training, which includes an introduction to the key corporate policies, with 97% compliance in 2024.

Given the growth of the Querétaro plant in Mexico in recent years, the recruitment process for workshop profiles was redefined in 2024. The induction process was also strengthened for all new recruits in Mexico by providing them with a seven-week presential induction course on the company's main areas and processes.

ITP Aero Group encourages active listening within the collective of new recruits by means of an assessment survey of the onboarding process, allowing them to share their experience and to identify opportunities for improvement.

PERFORMANCE

ITP Aero Group promotes frequent feedback between managers and collaborators to ensure high levels of performance and promote employee development.

Leaders and technicians:

The continuous feedback model applied to leaders and technicians from Spain, Mexico and the UK is the mechanism used to identify the priorities for the year and specify the contribution expected from each person in the team with SMART objectives. In addition, it is a useful tool for regular monitoring of progress.

This model encourages enriched feedback, which means that it is possible to give and receive continuous feedback in all directions with colleagues in department and in other areas, at any time of the year. Feedback sessions are intented to be high-quality and agile, helping the company to improve itswork.

83% of leaders and technicians hold regular feedback sessions with their managers, at least 3 times a year. Likewise, the percentage of employees who consider these sessions to be useful for improving their performance continues to grow every year.

In order to help boost the feedback culture, ITP Aero Group has a guide for managers and collaborators that seeks to improve the quality of feedback conversations so that they are more effective, as well as taking advantage of all the functionalities offered by the Talent Management system.

In addition, ITP Aero Group has a biennial 360° feedback process in place which, on a voluntary basis and with questions based on our three pillars of leadership, has a clear focus on professional development. The latest edition was carried out in May 2023.

Workshops (direct staff)

The evaluation process of categories in the workshops is governed by the different collective agreements and agreements of each plant and/or company. These agreements all have their applicable regulatory bodies and their monitoring mechanisms. In 2024, the process was digitised at two of the group's plants, Zamudio and Ajalvir. The intention is to continue to increase the number of plants that transition to digital mode in the coming years.

LEARNING. 70-20-10 LEARNING MODEL

At ITP Aero Group, each manager ensures the adequate training of their teams to perform their role in the company and ensures the best format to do so: on the job training, self-learning, mentoring, internal mobility, participation in forums, internal or external training.

Employees can consult the training activities assigned to them, their history, the planned course schedule, the trainings and the available learning pathways. All of this is monitored through the global training dashboard. In addition, a yearly survey is carried out among all team managers to assess the impact of their employees' training, and actions are taken if required.

In 2024, more than 1,000 training activities were carried out, with evaluation scores exceeding 4 out of 5, surpassing the internal training satisfaction KPI. Additionally, more than 95% of the workforce undertook some form of training during 2024.

The main learning challenges for 2024 covered four axes: strengthening policies and good practices, developing standardised learning pathways, boosting digitisation with a focus on continuous learning, as well as providing tools for language and personal skills enhancement.

Reinforcing our policies and best practices through training

The aim is to ensure that all employees who are part of the company know, understand and behave in accordance with a set of policies, principles and guidelines. To this end, an online training course is planned every year for the entire workforce to learn about or refresh these policies.

In 2024, these were the global training courses: Diversity, Equity and Inclusion, Information Security and Ethics and Compliance, with an overall compliance level of 97%.

Standardised course plans and knowledge days

Each area of the Group identifies the knowledge and skills needed in forward-looking positions and based on this, defines training action plans to fill knowledge and training gaps. Given the high growth in Mexico, special focus has been placed on this aspect in 2024.

Specifically, in the area of engineering, the Senda project standardises the knowledge acquisition pathways of technical functions to understand learning in a comprehensive way, through courses, self-training, on-the-job training and mentoring.

In addition, in 2024 the Defence business unit and the Supply Chain directorate have started to develop their learning pathways.

Boosting digitisation with a focus on continuous learning

The digital transformation of the workplace involves a renewal process that shifts towards models supported by advanced technology to enhance the efficiency of our processes. This involves adapting tools to the company's processes and needs, while enabling people to adopt new, more agile, collaborative and effective ways of working based on technology.

Therefore at ITP Aero Group we are implementing a circular project of continuous improvement based on the following premises:

- Establishing a new digital culture across the company while addressing the complexity of geographical and at times, even cultural dispersion.
- Developing and nurturing talent and investing in the training of our professionals.
- Boosting internal talent and encouraging innovation and development in the key digital technologies associated with digital transformation.
- Raising awareness of the company's existing tools and fostering knowledge sharing.

As a result of these premises, the following actions can be highlighted in 2024.

Digital WorkPlace is a modernisation and digitisation project within the company that encompasses different initiatives that not only seek the use of new technologies and digital tools, but also aim to empower ITP Aero professionals, as key players of the project, to learn, evolve and grow through a continuous improvement plan. Within the area of Change Management, we have led digitisation programmes such as the Citizen Developers Community and the Microsoft 365 Environment:

- The **Citizen Developers Community** are ITP Aero Group professionals who, through Power Platform low-code tools and without prior experience in IT development, but with in-depth knowledge of the processes of their areas, are able to develop applications, automate workflows and generate operational reports. This community has more than 250 members and is currently in a phase of consolidation and skill advancement, driven by the emPowerYourself programme.
- Through the **"Aprende" programme**, the company promotes activities for the transformation of the digital workplace with the aim of increasing efficiency and fostering a culture of collaboration both across different areas and within our programmes through our Microsoft 365 platform.

At the same time, we highlight the **Active Trainers** programme, promoted by the training department, which was created with the aim of enhancing the training experience at ITP Aero Group by fostering a dynamic and collaborative learning culture. With Active Trainers, people who share their knowledge internally can acquire or improve their digital and pedagogical skills through training sessions and access to a "digital content library" designed to enhance their roles as trainers.

It should be noted that the Digital WorkPlace initiatives (Citizen Developers, MS365) together with Active Trainers have been recognised at the eighth edition of the Talent and Leadership Awards, jointly organised by Accenture and elEconomista, in the Digital Employee category.

Personal skills and languages

The entire staff has access to a digital platform for the development of competencies and personal skills helping them become more effective. The platform offers a wide catalogue of courses, videos and practical resources. In this first year of the platform, more than 350 hours of training have been carried out on a voluntary basis by ITP Aero Group employees.

In addition, employees also have access to a language platform that offers online training in 12 languages. Anyone can access this platform both during and outside working hours to learn any of the languages offered. The platform includes virtual classes and a **personalised learning path based on the level of each user.**

Furthermore, throughout the year, specific training has been given to different groups in personal skills, management and languages, covering topics such as effective presentations, project management, change management and team development.

Effective presentations programme

The first edition of the effective presentations programme has been launched, with a participation of 17 senior managers, achieving an overall rating of 4.67 out of 5.

DEVELOPMENT PROGRAMMES

Global Talent Programme

The Global Talent programme seeks to promote the development of early careers by giving employees, who have up to five years of experience, the opportunity to participate in strategic national and international projects. This programme, which has a duration of two years, helps to create synergies and favours internal rotation for the development of more transversal profiles.

In 2024, ten Global Talents have completed their programme, seven of whom have had the opportunity to develop at least one of their projects in a workplace and country other than their country of origin.

The third edition of this programme will start in 2025 with twelve new participants from different ITP Aero Group work centres.

Mid-Career

We are launching the first edition of the Mid-Career programme aimed at professionals who are in the intermediate stages of their professional development. Over twelve months, participants will work on a project different from their usual responsibilities, allowing them to broaden their skills and gain new experience to enhance their career trajectory.

Executive Support Manager

The Executive Support Manager's role offers experienced professionals the opportunity to work for one year with ITP Aero's senior management to further develop their knowledge, management skills and overall company vision.

Coaching for Managers

ITP Aero understands coaching as an effective process to accelerate the potential of high-impact leaders within the organisation and those identified as having the potential to continue to grow. In 2024, 24 heads and managers from Mexico, India, the United Kingdom, Spain and USA participate in this 6-month programme with professional coaches.

In order to promote female talent, 46% of the participants are women.

Mentoring

ITP Aero's Mentoring programme is aimed at team leaders who have recently been promoted. The mentors, experienced leaders, share their experiences, learnings and different points of view to help mentees in their development process.

TALENT REVIEW

This is an annual process aimed at ensuring that each manager identifies the contribution, potential and development opportunities within their direct team of leaders and technical staff. This review helps in making decisions with a broader strategic vision and serves as an input for succession planning, salary reviews, defining development plans and planning organisational changes.

Implementation of the LDR programme

A leadership development review process, designed to assess and enhance skills to support professional growth and organisational success.

ATTRACTION OF TALENT

ITP Aero strives to attract the best talent by offering a challenging environment for professional development, a differential culture and an attractive value proposition for the employee.

Scholarships

Every year, scholarships are made available at various plants through close collaboration with leading universities, vocational training centres and technology centres of reference. In 2024, a total of 319 students have undertaken their internships with us, the majority coming from STEM backgrounds.

Mexico has launched the DaVinci Programme in partnership with the Aeronautical University in Querétaro. This initiative allows students to complete their education with specific training at ITP Aero'sworkplace, after which they may be selected as scholarship recipients. In 2025 willbegin the second edition of the programme and welcome the first edition in collaboration with the **Technological Institute of Querétaro.**

In 2024 was launched the Year In Industry collaboration between ITP Aero UK and the University of Nottingham, the University of Sheffield and Queen Mary University. This annual programme provides university students with the opportunity to work at ITP Aero UK for a period of between nine and twelve months. Additionally, through the "T-Level" course run by the UK Department for Education, students who have completed secondary education have the opportunity to work at ITP Aero UK for approximately 45 days.

Job portal

In 2024, the job portal was updated, making it more accessible and user-friendly for those interested in joining ITP Aero team. This portal enables candidates to easily and quickly filter available vacancies according to their interests, streamlining the application process.

In addition, the portal includes several new functionalities, such as:

- Advanced filters: Candidates can filter vacancies by location, work area, level of experience and type of contract.
- Personalised profile: Users can create and manage their profile, save their searches and receive alerts for new vacancies that match their preferences.
- Intuitive interface: Navigation is more intuitive, allowing users to find the information they need more quickly.

With these enhancements, a more efficient and enjoyable experience is provided for all candidates, helping them find opportunities that align with their professional aspirations.

4.3.4. Communication with professionals

The ITP Aero Group attaches great importance to internal communication with the people who form part of the company. To this end, it has a significant number of communication channels in place and launches many initiatives throughout the year:

- The **corporate portal** is the main internal communication channel and where global information affecting the entire company is published, or of a more local nature depending on the workplace. Likewise, through this platform, the workforce has secure access to multiple personal and professional applications.

- **Newsletters** with information relevant to the staff are also sent out periodically via e-mail.

- The workshop staff can access information via computers that are available in the production areas. However, the company is aware that it is more complicated for this group to access information in this way and, for this reason, **information screens** and **corporate boards** are distributed in these areas.

- Twice a year, the **Al Vuelo magazine** is sent to the entire staff, in which business information and other strategic content is shared, and special focus is placed on the value of the people who make up the company.

- The company also organises **global "All Hands" meetings** every quarter, in which the management team shares the key achievements and the company's business context with all employees.

- There are, in addition, **online sessions throughout the year with Executives** where strategic information is shared and cascaded down to all employees.

- **Working breakfasts** are a two-way communication channel in which the CEO shares the company's situation, while at the same time also collecting first-hand suggestions and comments from employees in a relaxed atmosphere. Furthermore, the ITP Aero Group has an internal communication channel in place called **"WhatsApp Communities"**. Through this channel, all employees, on a voluntary basis, can join the various communities and receive information of interest to them directly on their corporate or personal devices, whether global or local in nature.

In the same way, events also provide a relevant communication channel for the ITP Aero Group:

- At the **Annual Directors' Convention**, business matters are discussed among the Group's management.

- Once a year and for staff with a more technical profile, the **Technological Convention** is held, attended by engineers from all the work centres and countries where the ITP Aero Group is present and in which the technological strategy is shared with the aim of aligning all the technical disciplines to achieve the company's technological objectives.

- On a regular basis, the Group opens the doors of a productive workplace to the staff and their families on special occasions called **"Open Days"**.

Finally, at the end of the year and to celebrate the Christmas holidays, an event is organised at each workplace.

4.4. DIVERSITY, EQUITY AND INCLUSION

4.4.1. Diversity, Equity and Inclusion

OUR COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

Regulatory framework

In accordance with its values "We act with integrity" and "We care for people", the ITP Aero Group ensures the development of diverse and inclusive work environments, free of discrimination and where people are treated with dignity and respect.

Promotes a respectful and inclusive culture as the key to providing people with the opportunity to reach their full potential and gain professional recognition based on their merits and contributions.

As the main regulatory framework on diversity, we have a **Diversity and Inclusion Policy** and an **Anti-Discrimination Policy** in place. Both policies apply to all employees across the Group - at all levels and in all business areas - and the same level of compliance is expected from suppliers, agency workers, contractors and third-party providers working with us.

These policies establish principles that enable us to achieve our goal of maintaining a diverse workforce and an inclusive working environment.

The ITP Aero Group does not tolerate any form of discrimination, harassment, bullying or intimidation and protects the following characteristics of people: age, race, colour, nationality, ethnic or national origin, disability, marital status, pregnancy or maternity, religion or beliefs, gender, gender identity, sexual orientation, gender reassignment.

There are also protocols for the prevention of harassment at work, which define the framework for action to identify and manage possible situations that may arise in this area, in line with the Group's Code of Conduct.

Additionally, the Ethics Line is a channel that allows employees, clients or suppliers to resolve doubts about ethical issues and to file a complaint if necessary. The Ethics Line is available 24/7 and all questions and complaints that are registered via the intranet, corporate website or mobile via a QR code, reach exclusively the Ethics & Compliance (E&C) team, which manages them appropriately and conducts investigations, when applicable.

Local Ethics Advisors (LEAs) are employees who voluntarily help to promote an ethical culture in the company and who channel - in an agile and friendly way - queries that may arise on a day-to-day basis.

In order to complement the Diversity and Inclusion policy, the ITP Aero Group has a Guide for Gender Transition that establishes the lines of action to provide support in the transition of trans/non-binary people, so that they can live in a manner that is coherent with their gender identity in the work environment.

In 2024, a new menopause protocol was published in the United Kingdom, which disseminated across the country and complemented by training sessions with external experts.

Likewise, we are committed to equality and fair remuneration, with a remuneration policy that is applied objectively, ensuring that gender and diversity factors have no influence whatsoever. More detailed information on this matter can be found in section 4.1.2. Wage gap and average remuneration.

ESG Strategic Objective[2]:

DIVERSITY, EQUITY AND INCLUSION (DEI)

- With the aim of fostering a more diverse and inclusive culture and as part of our ESG strategy, we have set a goal to achieve 25% female representation in leadership positions by 2027.

KPI	2022 (Baseline)	2023	2024
% of women in all leaderships levels	22,9%	22,3%	23,2%

In 2024, presence of women including all leadership levels has improved 4% over 2023, which is 1,3% above the baseline.

Under the motto “being yourself helps us to be even better” communicated by our CEO Eva Azoulay to the entire workforce, we encourage everyone to contribute their thoughts and ideas to create environments of creativity, innovation and opportunities for all.

In 2024, we also set ourselves the objective of assessing the company’s maturity in terms of DE&I and defined a plan to continue progressing in the coming years. With the support of an independent external consultant, we conducted a comprehensive study, which concluded that we have a solid and positive foundation from which we can continue to build.

Based on this study, we established our roadmap for the coming years, outlining actions that have been communicated to all employees regarding various aspects of our culture, our processes, pay equity and progress measurement.

Among others, there are three high-impact actions that demonstrate our commitment to Diversity, Equity and Inclusion:

- Professional growth: Attract candidates with diverse perspectives, experiences and skills. Offer career development opportunities and encourage cross-functional knowledge sharing.
- People development: Align our development processes with the objectives of Diversity, Equity and Inclusion, ensuring that leaders’ decisions are inclusive by providing tools, resources and training.
- Create groups of allies: Launch groups of volunteers with common diversity interests and provide a platform for connection and mutual support.

The 2024 target also included improving the DE&I indicator in the global engagement survey, resulting in an increase of 3 percentage points.

Main initiatives and partnerships to promote Diversity, Equity and Inclusion

We continue to implement the agreed actions as part of the various equality plans of the different companies in Spain: ITP SAU, ITP Externals and PCB. These equality plans include a series of measures defined between the management of the ITP Aero Group and the legal representation of the workers. These measures encompass inclusive communication, gender-perspective campaigns, STEM initiatives focused on women, conciliation measures and guaranteeing equality in the various human resources processes.

In 2024, a mandatory training programme on Diversity, Inclusion and Unconscious Bias was launched for the entire staff, with a 97% completion rate.

ITP Aero participates in the Royal Academy of Engineering’s GEEP programme (Graduate Engineering Engagement Programme) in the United Kingdom, providing support and guidance to young engineers from diverse backgrounds. This programme aims to help engineering students and graduates from diverse backgrounds to transition into the workplace. GEEP seeks to bridge the gap between academic learning and real-world engineering experiences, equipping participants with the skills, knowledge and contacts needed to excel in their careers.

In addition, the companyparticipates in an Inclusive Leadership Programme, led by an internal employee together with colleagues and the Royal Academy of Engineering (RAE), to study inclusion in engineering companies. The research project has focused primarily on senior management and members of the engineering community, enabling its team to gain a better understanding of its current position as an inclusive employer.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

In Spain, ITP Aero joined the Empowering Women's Talent programme, from Teams and Talent, which promotes female talent and the creation of equal and inclusive work environments. In 2024 we participated for the first time in its Cross Mentoring programme, which seeks to accelerate the development of high-potential women, through the exchange of experiences and knowledge, to enhance skills, abilities and competencies.

Additionally, the Group joined REDI, the Business Network for LGTBI Diversity and Inclusion, a Spanish non-profit association that contributes to promoting safe and respectful work environments for all people, regardless of their sexual orientation, gender identity, gender expression or sexual characteristics.

Also, the company, joined Ellas Vuelan Alto association to make female talent visible and promote gender equality in the sector, as well as to encourage STEM vocations among the new generations.

In Mexico, there is a strategic alliance with the University of Women to support the professional development of female university students through internship programmes within thecompany. Furthermore, for the third consecutive year, ITP Aero is participating in the "Women in the sky" programme at the *Aeronautical University of Querétaro*, which aims to empower women who are studying engineering. As part of this programme, participants propose solutions to real challenges faced by aeronautical companies.

As part of the International Day of Women and Girls in Science, our plant in Mexico has launched the 'Girl's Day' initiative with the support of the Ministry of Labour, the Ministry of Education, USEBEQ, SEDESOQ, AERI, the Querétaro Aerocluster and the Querétaro Automotive Cluster. The objective of this initiative is to contribute to building a future with greater equality in STEM careers by allowing secondary school students to visit companies and take part in hands-on activities. In its first edition, more than 30 companies in Querétaro have participated, reaching over 700 girls.

Diversity, Equity and Inclusion Affinity Groups

At UK center there is an affinity group made up of volunteers dedicated to promoting initiatives and disseminating information on Diversity, Equity and Inclusion.

In Spain and Mexico, the company is launching two affinity groups as part of our 2025 diversity roadmap: Gender and LGTBQ+. These groups will have members of the Executive Committee as sponsors.

ACCESSIBILITY FOR PEOPLE WITH DISABILITIES

The ITP Aero Group is committed to universal accessibility, and this is reflected in its construction standards that are applied in all new construction or renovation work. The Group's work centres in Spain (Zamudio, Alcobendas, Derio, Albacete, Barakaldo, Sestao), in the United Kingdom (Hucknall and Whetstone) and in India have guaranteed accessibility in all facilities.

At the Ajalvir centre in Spain, at least one building is accessible, ensuring that current employees at these facilities do not face any limitations in this regard.

In Mexico, in the Querétaro centre there are plans to achieve full accessibility, although it is currently limited to the first floor in all buildings including the new Castings facility and the central Warehouse.

The new ADMIRE building built in the Zamudio centre has a lift and full accessibility.

The new logistics centre in Mexico is an extension of the workshop and shares the existing facilities. The building of the new Castings facility within the production plant does not have a lift providing access to the office floor.

Likewise, all the centres are accessible for visitors, as they have designated areas that are accessible to people with different abilities, with the only limitations being at the Lincoln centres in the United Kingdom and at ITA centre in Spain.

Of the total workforce of the ITP Aero Group, in 2024, 17 people had some degree of disability, seven more than in 2023 (10). In centres where the minimum legal requirement for employees with disabilities is not met, after obtaining an exception from the labour authority, the ITP Aero Group makes purchases of products or services from special employment centres.

4.4.2. External recognitions

The CEO, Eva Azoulay, was recognised in the 2024 Heroes Role Model List by INvolve for her commitment to fostering a diverse, equitable and inclusive culture.

In Spain, the company was awarded with the Diversity Leading Company 2024 recognition seal, granted by the specialised media outlet Equipos & Talento. This award acknowledges its dedication to promoting a diverse, equitable and inclusive culture that fosters creativity and creates opportunities for all individuals.

ITP Aero Mexico was awarded the No Gender Gap Distinction (Distintivo Sin Brecha) 2024 award, granted by the Secretary of Labour of the State of Querétaro. This recognition highlights its commitment to gender equality and inclusion within the company. Through its policies and practices the company strives to eliminate any gender gaps, ensuring that all the employees have equal opportunities for growth and development.

4.5. LABOUR RELATIONS

The ITP Aero Group applies the labour legislation in force in each country and the provisions of the applicable agreements at each centre, regarding procedures on information, staff consultation and negotiation with workers' representatives. In such procedures, the main intermediary for negotiation, communication and information on typical labour matters is the works council, together with the staff delegates and prevention delegates.

In Spain, collective agreements apply fully to all shop-floor workers, as well as to technicians, managers and selected executives, for all aspects not related to the pay system or to promotion and career development.

In Mexico, collective agreements apply mainly to unionised personnel, primarily shop-floor workers, while technicians, managers and executives are excluded. These agreements are reviewed annually and as a result of good relations with union representatives, negotiations are concluded in a timely manner. In 2024, in accordance with the new legislation in Mexico, the Collective Agreement negotiated was ratified in full, with very good acceptance by the unionised personnel.

In the United Kingdom, as in the other countries, the agreement applies in full to workshop operators and technicians of one of the two companies. However, technicians in the other company, as well as all managers and executives, are excluded from the agreement in terms of remuneration and career development. Wage increases are reviewed and negotiated annually with employee representatives.

4.6. PRODUCT QUALITY AND SAFETY

The ITP Aero Group considers the quality of its products and services to be the key component that drives the organisation's sustainability and creates value for all stakeholders. The global quality objectives are linked to the annual company objectives.

To meet the expectations of stakeholders regarding the ITP Group, with customers being among the most important, we have robust processes in place to ensure product safety.

4.6.1. Product safety management system[1]

ITP Aero ensures the airworthiness and safety of all its products, in some cases directly and in others through its customers, by complying with Regulation (EU) No. 748/2012, of 3 August 2012 and its amendments, which establishes the implementing provisions on the airworthiness and environmental certification of aircraft and related products, components and equipment, for the certification of design and production organisations and Regulation (EU) No. 1321/2014 of 26 November 2014 and its amendments, on the continuing airworthiness of aircraft and aeronautical products, components and equipment and on the approval of organisations and personnel involved in these tasks for the certification of the maintenance organisation. The aeronautical authorities conduct audits and check the compliance of this regulation, in some cases directly at ITP Aero and/or through its customers.

Based on this, an internal deviation notification process was defined which establishes the methodology for the collection, investigation and analysis of data on faults, malfunctions, defects or other events that cause or may cause adverse effects on the continued airworthiness of the engine or component.

The ITP Aero Group performs periodic internal audits of its processes, providing corrective actions in case of anomalies, and continuously monitoring them.

ITP Aero is certified by EASA as a Design Organisation (EASA.21J.097 DOA Certificate), as a Production Organisation (EASA ES.21G.0006 POA Certificate) and as a Maintenance Organisation (EASA ES.145.003 MOA Certificate).

Likewise, it has a Product Safety Management System in place that complies with international regulations and shows that the company is committed to the highest standards in product safety.

In 2024, the process of implementation of the Product Safety Management System (SMS) as required by the ICAO organisation (Annex 19, appendix 2) and in accordance with the European regulations on Safety Management System was started: - Part-21 (DOA & POA) Reg. 2022/201 & 2022/203; - Part-145 (MOA) Reg. 2021/1963, for the entire aviation industry, with deployment to be completed by 2025. This is a systematic approach to Product Safety Management based on four pillars: Product Safety Policy and Objectives, Product Safety Risk Management, Product Safety Assurance and Product Safety Promotion.

Within this framework, ITP Aero has been audited by EASA and AESA at the beginning of the SMS implementation, using the MSAT tool (Management System Assessment Tool) to detect the points to be completed and, based on these, define the necessary steps until the full deployment of this system.

Within the ITP Aero Group, the CPSAB (Company Product Safety Assurance Board) committee is the body dedicated to defining product safety policies and strategies and to defining and pursuing the achievement of objectives, as well as the continuous improvement of the Product Safety Management System.

PRODUCT SAFETY OBJECTIVES

The ITP Aero Group has Product Safety Objectives that have been approved by the CPSAB in November 2024, which are aligned with the company's objectives. The degree of achievement of these objectives is monitored by means of SPI's (Safety Performance Indicators) which are accessible to all employees and are regularly updated to encourage continuous improvement.

[1] The ratings, awards and certifications are differentiated according to the perimeter of the companies to which they refer, so in some cases the reference is to ITP Aero and not to the Group.

PRODUCT SAFETY POLICY

These commitments are reflected in the **Product Safety Policy**, which in 2024 has been updated and approved by the Board of Directors. Its application covers the entire perimeter of the ITP Aero Group's operations. The following six principles are the basis of our Product Safety Management system:

- **Leadership commitment and accountability:** The leaders ensure the safety of the products and prioritise so that safety-related tasks receive appropriate attention, time and resources.ITP Aero Group makes the responsibility for the safety of its products clear and ensure that everyone understands what they are responsible for.

- **Product safety level:** The company designs its products to achieve a high level of safety commensurate with their application, always ensuring that they meet or exceed legal, regulatory and industry requirements. The Group assess what could go wrong and implement controls to meet the required safety levels throughout their lifecycle and reduce safety risks as far as reasonably practicable. And also assess how human and organisational factors can introduce risks to product safety and use it knowledge in establishing our controls.

- **Maintaining and improving product safety:** ITP Aero Group is committed to the continuous improvement of product safety and the company is actively involved in the establishment of industry standards and good practices. Measuring its performance and rigorously investigate and resolving safety-related issues, systematically incorporating learnings into its practices and processes. Everyone is encouraged to report any safety issues with products.

- **Product conformity:** Excellence in quality is an essential pillar of product safety and, by following processes, ITP Aero Group ensures that its products and those of its suppliers comply with its specifications.

- **Safety awareness and responsibility:** Everyone who works at ITP Aero Group shares responsibility for the safety of its products and is aware of the implication of his or her actions. ITP Aero Group provides training so that our people understand the Product Safety Policy and its processes and can fulfil their collective and personal responsibility.

- **"Just Culture":** Everyone is encouraged to report any product safety issue in a context of "Just Culture" where individuals are not punished for actions, omissions or decisions taken by them that are consistent with their experience and training, but where gross negligence, intentional violations and destructive acts are not tolerated.

2024 saw the start of the incorporation of the company BP Aero, which has accepted and consequently adhered to the Product Safety policies of the ITP Aero Group.

BP Aero is not only EASA Part 145 certified for engine and accessory maintenance activities, but also FAA Part 145 certified.

In 2022, the first two-year training cycle on product safety and human factors was rolled out globally with 99% participation. In 2023, these courses were included as part of the onboarding training for new recruits to the company.

In 2024, ITP Aero Group has developed specific training to train all its staff on best practices and performance standards related to the Product Safety Management System (SMS) and whose deployment will be completed in 2025.

ITP Aero Group, in the interest of deploying Product Safety principles to its supply chain, has a strategy to deploy SMS principles to our suppliers, which includes a familiarisation course on Product Safety and this system.

4.6.2. Quality Management Systems

ITP Aero's quality system is audited annually by an accredited external body, complying with the highest quality standards in the sector and has EN 9100, EN 9110, ISO 9001 and PECAL/AQAP 2110/2310 certificates. It also has various certifications and customer delegations.

BP Aero maintains AS9110C and ISO9001:2015 certifications, in addition to the required certifications and customer delegations necessary to carry out its activity.

4.6.3. Complaints and claims system

Due to the fact that the activity carried out by ITP Aero is fully focused on the B2B (Business to Business) channel and, based on the definition of consumer set out in the Commercial Code, the development of policies establishing measures to protect the health and safety of its consumers is not considered applicable. However, quality is a key pillar in ITP Aero's Group customer relationship strategy and is the reason why the activities described below are being developed.

Each ITP Aero Group customer has a quality focal point at their disposal to which they can personally address any complaint or claim. When this happens, a root cause analysis is carried out and containment and remedial actions are immediately put in place to resolve the problem. All claims are recorded under the company's SAP tool. At the end of this analysis process, it is determined whether ITP Aero should take responsibility or not, and this is indicated in the system. The number of escapes that are the responsibility of ITP is recorded with an indicator that is reported monthly on the corporate dashboard. Similarly, when an escape is detected internally, it will be communicated to the customer.

	2022	2023	2024
Claims	266	280	691
Responsibility of ITP Aero Group	93	95	273

Of a total of more than one million parts delivered to the customer during 2024, the Company has handled 691 claims in the three customer processes, of which 273 have been the responsibility of ITP Aero. The overall number has increased compared to the previous year for two main reasons: the incorporation of BP Aero, with a slightly different business from the rest of the company focused on the repair of a multitude of components that require individualised management and specific work orders, and a significant increase in products delivered to customers, which adds to the cumulative increase of the previous year.

The ITP Aero Group conducts a monthly follow-up of quality indicators, recording the costs of poor quality, customer escapes, and product concessions to the customer. Additionally, the Group has the Disruption Index indicator, which provides a more comprehensive view of the impacts caused to the customer and is monitored on a monthly basis.

EXTERNAL RECOGNITIONS[1]

Leveraging its technological know-how, ITP Aero Group has successfully established and certified its own additive manufacturing standards and specifications for manufacturing high-temperature aircraft engine components. The additive manufacturing technique employed for these components is the selective laser melting method, also known as industrial 3D manufacturing.

ITP Aero is the first aero engine design and manufacturing company to obtain Design Organisation Approval (DOA) certification from EASA (European Union Aviation Safety Agency) and Production Organisation Approval (POA) from AESA (Spanish Aviation Safety Agency) for structural components manufactured with additive technology. The certified structural components are the blades of the rear frame of the TP400 engine.

The work carried out in recent years has been rewarded in 2024 with recognition from its clients and institutions, including the 2023 Business Merit Award in the Foreign Trade category, received in February 2024 from the State Administration of Querétaro. This category recognises the company for "boosting its export capacity with an outstanding presence in international markets, supported by a strong domestic supplier development programme and efficient management of customs and logistics operations".

[1] The ratings, awards and certifications are differentiated by the perimeter of companies to which they correspond, so that in some cases it may be noted that reference is made to ITP Aero and not to the Group.

4.7. CONTRIBUTION TO OUR COMMUNITIES

In its ESG strategy, approved in 2023, ITP Aero Group aspires to contribute positively to the communities where it operates. This is why its impact on the local community is a matter of priority in the ESG Strategic Objectives for the coming years:

ESG Strategic Objective[2]:

POSITIVE IMPACT ON COMMUNITY

- Update the Social Investment Policy, the Strategy on Local Communities and define implementation objectives for the period 2024-2027. Succesful update of the Social investment policy during 2024. The definition of the Local Communities Strategy 2025-2027 is in progress, with 70% progress at the end of 2024.

4.7.1. Our contribution in 2024:

For the ITP Aero Group it is important, in parallel to the development of its activity, to promote technological, industrial, economic and cultural development wherever its work centres and employees are located.

At all its sites, the ITP Aero Group is a major local employer offering a wide variety of highly skilled jobs and attractive apprenticeships in a high-tech environment. Details on this contribution are broken down in Section 4.1 Our people and in Section 6 Table of non-financial indicators.

In the same way, the ITP Aero Group has developed a solid network of collaboration with strategic technology centres for the industry in the communities where it is present and, when the circumstances allow, has promoted the creation of joint R&D&i centres with universities with the aim of developing advanced technologies for aeronautical engines. Details on this contribution are broken down in Section 3.1.3. Participation in associations and with strategic partners.

In relation to suppliers, the ITP Aero Group promotes a strong and mutually beneficial partnership with the value chain. It has also adopted a development strategy for its local supply chain for strategic contracting. In 2024, approximately 50% of its procurement came from local suppliers. Details on this contribution are broken down in Section 5.3 Our supply chain.

The ITP Aero Group contributes positively to its local communities by integrating sustainability and channelling employee interest into actions that have local social relevance, such as volunteering, charitable, environmental and welfare-related contributions.

In 2024 the ITP Aero Group updated its Social Investment Policy which defines its strategic lines to have a quality social impact in the communities where its employees live and work. Furthermore, the social investment actions promoted or driven by the company must respect the social and cultural characteristics of these locations and be developed in accordance with its strategy of diversity, equity, and inclusion, as well as the well-being of its employees.

These actions are developed through our own social programmes or by joining third party programmes in the form of social sponsorships, charitable contributions or voluntary actions.

In this way the ITP Aero Group supports, among others, actions focused on:

EDUCATION – STEM

Inspiring the younger generation to learn about and develop an interest in STEM (Science, Technology, Engineering and Mathematics) careers by encouraging them to learn about the career opportunities they offer and their importance for economic and social development.

CULTURAL HERITAGE

Supporting key institutions and stakeholders with historical and cultural value in our local communities.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

COMMUNITY AND ENVIRONMENTAL WELL-BEING

Channeling employee interests into actions that have a positive social impact, including volunteer initiatives and other activities of local relevance (charitable contributions, environment and well-being).

In this line, with a view to promoting sustainable development, the company develops our own programmes and also collaborate with organisations, associations, foundations and other non-profit entities in itsenvironment.

During 2024, the ITP Aero Group made contributions of €827,022, of which €563,340 were contributions to associations or dedicated to commercial sponsorship and €263,682 to social sponsorship actions (STEM actions, social and cultural investment).

It is important to note that the amount related to associations is significantly higher in 2024. This is due, on the one hand, to the fact that the company's growth has required a stronger presence in relevant industry associations - such as IAEG (International Aerospace Environmental Group) or Global Compact - and, on the other hand, to a significant increase in certain quotas. In the same way, spending on social investment has also increased due to the company's support for specific humanitarian crises (flooding-DANA Valencia) or by joining new projects such as the Infante de Orleans Foundation.

Contributions to associations, foundations and sponsorships		
2022	**2023**	**2024**
€237,127	€573,239	€827,022

4.7.2. STEM Initiatives

ITP Aero, as a technology company, gives particular support to initiatives designed to awaken young people's passion for science and technology.

In its own centres, in the universities and technology centres with which it collaborates and in schools, the Group develops a multitude of activities in which it shows the future opportunities offered by careers in STEM (Science, Technology, Engineering and Mathematics).

During 2024, the company's actions to awaken STEM vocations have been developed in Spain, the UK and Mexico. The Group is particularly sensitive to providing girls with female role models through testimonials from women engineers in the company.

ITP Aero Group's STEM initiatives have impacted more than 2,000 girls and boys in 2024.

INITIATIVES SUPPORTED BY ITP AERO GROUP:

Code.org.

Encouraging young people to learn programming skills. In 2021, ITP Aero was the first Spanish industrial company to join the international movement Code.org, a non-profit organisation that promotes learning programming at an early age and seeks to implement computer science as a core subject in educational centres. The synergy between ITP Aero Group's expertise and Code.org's vision is focused on opening new doors to future profiles that will integrate the digital world and the aerospace industry. As a result of this alliance and the collaboration of all the ITP Aero Group volunteers who have participated in these STEM activities with Code.org, more than 1,000 children have enjoyed and learnt programming. After four years, the Group is still working with Code.org, continuing the projects it has carried out in Spain since the beginning of the collaboration and promoting new actions.

- **ITP Aero Group Technology Bootcamps.** 2024 saw the fourth edition of these summer camps for children aged between 9 and 14 years old, held in Madrid and Bilbao (Spain), the second in Hucknall (United Kingdom) and the first in Querétaro (Mexico). The company offered 90 places, 100% scholarships, for children of workers and children at risk of social exclusion. During the camp, they had the opportunity to learn the basic principles of programming, as well as to visit the facilities in Ajalvir and Zamudio in Spain and Hucknall in the UK where they learned from ITP Aero'sengineers how to apply computing in the aeronautical sector. 82% of the children who attended the 2024 Bootcamps wish to continue learning programming.

- **"Super Coder" programming contest.** In 2024, the Group launched the second edition of the Programming Contest among students from schools in Biscay. The activity, which was part of the STEAM Sare programme of the Basque Innovation Agency (Innobasque), brought together 220 Basque schoolchildren who had to present, using programming, a disruptive solution to make mobility more sustainable, as well as adopting urgent measures to fight climate change and its effects. The participating teams developed their projects at their schools with the help of their teachers and with support from mentors from the ITP Aero Group.

- **Code.org.: H.M. Queen Letizia meets with ITP Aero.** Her Majesty Queen Letizia met with the ITP Aero Group and other companies collaborating with Code.org. During the meeting, the Head of Communications and Public Affairs of the ITP Aero Group, Susana Herrero, explained how the company is committed to providing the next generation with the essential digital skills for their future, placing special emphasis on the promotion of actions with a gender perspective that encourage STEM careers among girls, as well as enabling access to young people at risk of exclusion.

STEAM Sare

ITP Aero's collaboration with the STEAM Sare programme is also significant. This is a programme created by the Basque Government's Department of Education in collaboration with Innobasque to promote STEAM education in the Basque Country. These activities have the particularity of a high level of collaboration between the teaching staff in schools and companies so that students can put STEM subjects into a real context and understand their importance and application in different fields. Within this framework of collaboration, the ITP Aero Group contributed to the Sare STEM activities catalogue with the Super Coder Programming Competition that the children develop during technology classes and with the help of mentors from the company.

Industry Day

Every year, the ITP Aero Group collaborates in the Industry Day organised by the Biscayan Federation of Metal Companies to make the industrial sector visible as an attractive destination for the professionals of the future, as well as attracting talent and reinforcing the inclusion of women in the sector. Children from schools in Biscay visited the ITP Aero Group's facilities in Zamudio and Derio to find out more about the technology developed by the company from some of the Group's young talents.

Biskyteam

For the last five years, ITP Aero has been supporting the Biskyteam project launched by students from the Universidad del País Vasco (University of the Basque Country, UPV-EHU) for the design of suborbital launchers using hybrid propulsion technology, which significantly reduces greenhouse gas emissions.

LEEM

In 2024, the ITP Aero Group began its collaboration with the Laboratorio de Experimentación del Espacio y Microgravedad (Laboratory for Space and Microgravity Experimentation, LEEM), an association of students from the Polytechnic University of Madrid dedicated to the study, manufacture and development of rockets. The company supports them through the technical advice of its engineers.

THE ITP AERO GROUP INITIATIVES

Girls' Day in Mexico

Girls' Day is an initiative promoted by the ITP Aero Group with the support of the Ministry of Labour, Ministry of Education, USEBEQ, SEDESOQ, AERI, the Querétaro Aerocluster, and the Querétaro Automotive Cluster. Its aim is to contribute to building a future where equality in STEM careers is increased.

2024 was its first edition and, coinciding with the International Day of Women and Girls in Science, STEM events were held in more than 30 companies in the city of Querétaro, reaching more than 700 girls.

During the day held at the ITP Aero facilities in Querétaro, the students had the opportunity to learn about ITP Aero's activities, carrying out practical activities in different areas, such as part design, operational processes in the workshops and laboratories.

In addition, they learned about the testimonies of our female employees who have developed their careers within the company, providing them with female role models in STEM careers.

STEM activities in the UK

Sites in the United Kingdom have a team of STEM professionals trained by engineers and apprentices (young trainee engineers), who carry out an array of STEM initiatives throughout the year. Highlights in 2024 were as follows:

- During the Farnborough Airshow and taking advantage of the ITP Aero Group's presence at the fair, the company participated in the STEM Day "Pioneers of Tomorrow" in which Hucknall's team of STEM professionals organised technological and educational activities for children and their families with an impact of more than 500 people.

- In September 2024, ITP Aero Group's Hucknall plant opened its doors for groups of students from five local schools to learn more about aerospace manufacturing and engineering to coincide with National Manufacturing Day in the UK.

- November saw the Hucknall National Enrichment Day, a STEM event organised by the National Church of England Academy which showcased the Group's apprenticeship programme at its Hucknall site.

4.7.3. Cultural heritage

Joining the Infante de Orleans Foundation

In 2024, the ITP Aero Group, convinced of the importance of maintaining the aeronautical legacy, joined the Infante de Orleans Foundation as a corporate member of the Board of Trustees. This foundation houses the third-largest collection of historic aircraft in flying condition in Europe and is based at the Cuatro Vientos aerodrome in Madrid.

Guggenheim Museum in Bilbao

The ITP Aero Group has been collaborating with the Guggenheim Museum Bilbao Foundation for 27 years as a corporate member of the Board of Trustees to promote the dissemination of arts and culture and the development of an institution that is an international benchmark and an icon of the city of Bilbao. Within the framework of this collaboration, it is the sponsor of the project "programmes for families" consisting of educational leisure experiences for families linked to the exhibitions.

Other initiatives

ITP Aero is a regular contributor to cultural events organised through foundations such as the Aeronautics and Astronautics Foundation. In 2024, it is worth mentioning the sponsorship of the Ejército del Aire [Air Force] Awards, which seek to promote aeronautical culture, artistic creation and the values of the Armed Forces.

4.7.4. Community and environmental well-being

The ITP Aero Group works to channel employee interests into actions that have a positive social impact, including volunteer initiatives and other activities of local relevance.

Charitable contributions driven by the company and its employees:

ITP Aero with those affected by the flooding in Spain

Following the terrible floods in October 2024 that devastated Spain in the regions of Valencia and Albacete, the ITP Aero Group joined forces with Caritas to help in the humanitarian and reconstruction work carried out by this NGO.

The company launched a crowdfunding campaign among its employees, initially contributing the sum of €20,000 and for every euro donated by employees, the company donated an additional euro, achieving a final collection of more than €38,000.

In the UK, the company boosted fundraising for local charities, including over £2,500 and gifts for the Christmas Toy Appeal.

Similarly, the company supported the charity Ben's Den, set up by one of our employees in memory of his son, which works to offer free holidays to families with children fighting cancer, allowing them to enjoy quality time away from the hospital environment.

In Mexico, volunteer actions are organised on a regular basis, involving employee actions and the collection of food and clothing for various NGOs in the Querétaro area.

In 2024, of note are the three "little markets with a cause", in which non-profit organisations offer artisan products in ITP Aero's facilities to benefit their charity projects. A campaign was also organised to donate clothes to the Yimpathí shelter for the homeless and to collect food for those affected by Hurricane John in Guerrero.

Well-being and environment actions

The ITP Aero Group promotes activities that result in better employee health, both physically and mentally. In this way, throughout the year the company supports the participation of employees in sports and other activities related to their well-being.

In Spain, employees have been offered the Wellhub app through which they can access sports centres very cheaply. They have also been able to take part in other events such as the Bilbao-Bilbao cycling race, or the company races in Madrid and Bilbao. Similarly, ITP Aero organises annual paddle tennis championships for employees in Bilbao, Madrid and Albacete and once a year it holds an inter-centre paddle tennis championship where employees from different centres come together to enjoy a day focused on sport and family.

In the UK, the company provides employees with the YuLife app to encourage healthy lifestyle habits through sport. Using this app, employees' efforts in sporting activities are directly converted into social investment in communities and the environment. In 2024, employee activities resulted in 1.7 kg of plastic waste being removed from the ocean, 73,260 litres of clean water provided to families, 101 meals provided to families in need and 101 trees planted.

Also in the UK, the company organised a "Well-being Week" in which they offered free counselling sessions to employees.

In Mexico, the company supports annual sports activities for employees such as bowling, football and volleyball championships. In 2024, we organised the first ITP Aero Mexico race for employees and their families, in which 120 people took part.

5. G - GOVERNANCE

In the ESG strategy of the ITP Aero Group (whose participating companies are described below) there is a line of action that consists of ensuring regulatory compliance and the monitoring of international best practices in ethics, compliance, transparency and good governance. For this reason, the implementation of best practices in Corporate Governance is a priority and has been set as an objective for implementation in the coming years:

ESG Strategic Objective[2]:

CORPORATE GOVERNANCE

- Define a plan to implement the Corporate Governance Strategy for the period 2024-2027.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

5.1. CORPORATE GOVERNANCE

The Corporate Governance system comprises a set of rules, principles and procedures that regulate the structure and functioning of the governing bodies of the companies that make up the ITP Aero Group.

These governing bodies are the **General Shareholders' or Partners' Meeting** (depending on whether the company is an S.A. or S.L.), and the **Administrative Body** (which, depending on the group company in question, will be the Sole Director or the Board of Directors).

As part of our commitment to sustainability, ITP Aero Group's governing bodies guide their strategic decisions in line with rigorous ESG standards. This integral focus ensures that the ITP Aero Group contributes to the creation of value over the long term for the sector, communities, and geographies in which the ITP Aero Group has a presence.

5.1.1. Corporate and Governance Structure

During the 2024 fiscal year, the company Bain Propulsión Bidco, S.L. retained 100% of the shares in Industria de Turbo Propulsores, S.A. (Single Shareholder Company). As of 31 December 2024, the Partners in Bain Propulsión Bidco, S.L. are Bain Propulsión Poolco, S.L. (which holds 15.50% of the share capital) and Propulsión (BC) Finco SARL (which holds 84.50%).

Below that, Industria de Turbo Propulsores, S.A. (Single Shareholder Company) directly and indirectly holds 100% of the shares or equity interests in fourteen of the fifteen companies that make up the ITP Aero Group, which are incorporated in six different countries, namely Spain, the United Kingdom, Malta, India, the USA and Mexico. Of the other company (ITP Next Generation Turbines, S.L.) it holds 75% of the share capital.

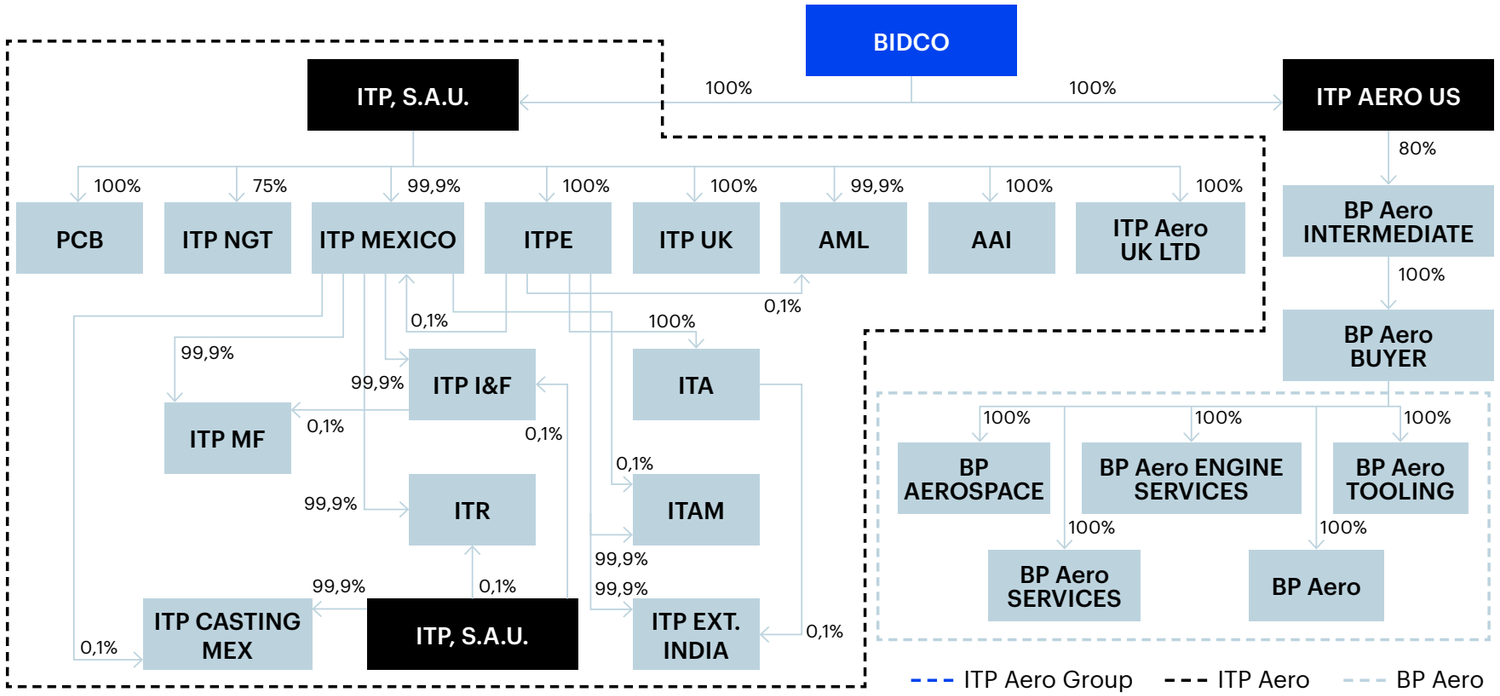
In January 2023, ITP Aero US, Inc. was incorporated as a US-based company in which Bain Propulsion Bidco, S.L. holds 100% of the share capital.

Subsequently, in September of the same year, BP Aero Intermediate, LLC. and BP Aero Buyer, LLC. were incorporated. In February 2024, BP Aero Intermediate, LLC became an approximate 80% owned interest in ITP Aero US, Inc.

Also in February 2024, BP Aero Buyer, LLC completed the acquisition of BP Aero, a corporate group comprising the following companies: BP Aerospace, LLC, BP Aero Services, LLC, BP Aero Engine Services, LLC, BP Aero, LLC, BP Aero Tooling, LLC.

The ITP Aero Group's corporate governance system, established in accordance with the best practices and standards applicable to each company, guides the structure, organisation and operation of its corporate bodies in the interests of each of the companies that comprise it and its partners and shareholders, and is based on the principles of transparency, independence and responsibility. The governance structure adequately differentiates between leadership and management functions. ITP Aero Group's corporate structure is set out below, starting from the companies it comprises.

CORPORATE STRUCTURE OF THE ITP AERO GROUP



Acronym	Company	Location
BIDCO	BAIN PROPULSION BIDCO, S.L.	Spain
ITP, SAU	INDUSTRIA DE TURBO PROPULSORES, S.A.U.	Spain
PCB	PRECISION CASTING BILBAO, S.A.U.	Spain
ITP NGT	ITP NEXT GENERATION TURBINES, S.L.U.	Spain
ITP EXT	ITP EXTERNALS, S.L.U.	Spain
ITA	INDUSTRIA DE TUBERÍAS AERONÁUTICAS, S.A.U.	Spain
ITP I&F	ITP INGENIERÍA & FABRICACIÓN, S.A. de C.V.	Mexico
ITP MF	ITP MEXICO FABRICACIÓN, S.A. de C.V	Mexico
ITP MEXICO	ITP MEXICO, S.A. de C.V.	Mexico
ITAM	INDUSTRIA DE TUBERÍAS AERONÁUTICAS MÉXICO, S.A. de C.V.	Mexico
ITR	TURBORREACTORES, S.A. de C.V.	Mexico
ITP CASTINGS MEX	ITP CASTINGS MEXICO, S.A. de C.V.	Mexico
ITP UK	ITP ENGINES UK LTD	United Kingdom
ITP INDIA	ITP EXTERNALS INDIA PRIVATE LTD	India
AAI[1]	AEROMARITIME AMERICA Inc.	United States
AML	AEROMARITIME MEDITERRANEAN LTD.	Malta
ITP AERO UK	ITP AERO UK LTD.	United Kingdom
ITP Aero US[2]	ITP AERO US, INC	United States
BP AERO INTERMEDIATE[2]	BP AERO INTERMEDIATE, LLC	United States
BP AERO BUYER[2]	BP AERO BUYER, LLC	United States
BP AEROSPACE	BP AEROSPACE, LLC	United States
BP AERO SERVICES	BP AERO SERVICES, LLC	United States
BP AERO ENGINE SERVICES	BP AERO ENGINE SERVICES, LLC	United States
BP AERO LLCC	BP AERO, LLC	United States
BP AERO TOOLING	BP AERO TOOLING, LLC	United States

[1] Dormant company.
[2] Instrumental companies with no employees as of 31 Dec 2024.

5.1.2. Company Statutes

The Company Articles of Association are a company's internal regulations, and they make up the backbone of its system of governance and sustainability. Based on the Purpose and Values of the ITP Aero Group, they outline the governing principles that define the identity and individuality of the Group and its undertaking, establishing, among other things, the rules according to which the two aforementioned corporate governing bodies operate, with scrupulous respect for applicable law.

GOVERNING BODIES OF THE COMPANY BAIN PROPULSION BIDCO S.L.:

General Shareholders' Meeting

The General Meeting of Shareholders is responsible for deliberating and deciding by majority vote on corporate matters within its competence, which are, among others, the following:

- Approval of the annual accounts, distribution of profits/losses, and approval of corporate management.
- The appointment, re-election and dismissal of directors.
- The appointment, re-election and substitution of external auditors.
- Amendment of the Articles of Association.
- Transformation, merger, division of the company or capital increases.
- The dissolution of the company.

Board of Directors of Bain Propulsion Bidco S.L.

The Board of Directors is the governing body charged with managing and representing the company. Except in matters reserved for the General Shareholders' Meeting, the Board of the Directors is the company's supreme deciding entity and has all the powers necessary for its administration. The Board of Directors shall have, in any case, the powers set out in Article 249 bis of the Capital Company Act – "non-delegable powers", which include, among others:

- Preparing the annual accounts and presenting them to the General Shareholders' Meeting.
- Determining the company's general strategies and policies.
- Appointing and dismissing the members of the company's managing directors, as well as setting the terms of their contract.
- Calling General Shareholders' Meetings and drawing up the agenda and proposing agreements.
- Its own organisation and functioning.

As set forth by the aforementioned Capital Companies Act, the directors must comply with the following duties:

- Duty of diligent administration.
- Duty of loyalty.
- Prohibition against using the company's name and invoking the status of a director.
- Prohibition against benefiting from business opportunities.
- Duty to communicate conflicts of interest with the company.
- Duty of non-competition.
- Duty of secrecy.

The composition of the Board of Directors of Bain Propulsion Bidco, S.L. is as set out below:

Composition of the Board of Directors as at 31 December 2024	
Members	Ivano Sessa (Chair)
	Davide Vidotto (Vice-Chair)
	Enrique Hernández Vitón (Vice-Chair)
	Enrique Parra Arce
Non-Board Member Secretary	Javier Villasante Ferrando
Non-Board Member Vice Secretary	Javier Rovira Benítez

The following table sets out certain information of interest on the above-mentioned composition of the Board of Directors of Bain Propulsion Bidco, S.L:

Member	Gender	Age Range	Executive Director	Non-Executive Director	Independent Director	Date of appointment
Ivano Sessa	M	30-50	-	✓	-	29/12/2023
Davide Vidotto	M	30-50	-	✓	-	29/12/2023
Enrique Hernández Vitón	M	30-50	-	✓	-	13/09/2022
Enrique Parra Arce	M	30-50	-	✓	-	13/09/2022

M: Men

✓ Board Director.

Committees of the Board of Directors of Bain Propulsion Bidco S.L

The Board of Directors of Bain Propulsion Bidco, S.L. did not form any delegated committees during the 2024 fiscal year.

GOVERNING BODIES OF INDUSTRIA DE TURBO PROPULSORES S.A.U:

General Shareholders' Meeting

The General Meeting of Shareholders is responsible for deliberating and deciding by majority vote on corporate matters within its competence, which are, among others, the following:

- Approval of the annual accounts, distribution of profits/losses, and approval of corporate management.
- The appointment, re-election and dismissal of directors.
- The appointment, re-election and substitution of external auditors.
- Amendment of the Articles of Association.
- Transformation, merger, division of the company or capital increases.
- The dissolution of the company.

Board of Directors of Industria de Turbo Propulsores S.A.U

The Board of Directors is the governing body charged with managing and representing the company. Except in matters reserved for the General Shareholders' Meeting, the Board of the Directors is the company's supreme deciding entity and has all the powers necessary for its administration. The Board of Directors shall have, in any case, the powers set out in Article 249 bis of the Capital Company Act – "non-delegable powers", which include, among others:

- Preparing the annual accounts and presenting them to the General Shareholders' Meeting.
- Determining the company's general strategies and policies.
- Appointing and dismissing the members of the company's managing directors, as well as setting the terms of their contract.
- Calling General Shareholders' Meetings and drawing up the agenda and proposing agreements.
- Its own organisation and functioning.

The Board of Directors has Regulations whose purpose is to determine the principles of action of the Board of Directors of Industria de Turbo Propulsores, S.A. (Single Shareholder Company) beyond the provisions of the Articles of Association, thus establishing the basic rules of its organisation and the standards of conduct of its members in order to achieve good, transparent and committed internal operation.

Industria de Turbo Propulsores, S.A. (Single Shareholder Company) as of 31 December 2024 has a Board of Directors made up of seventeen directors of various nationalities, mostly Spanish, but also Italian and German nationals and varied professional profiles. Of these seventeen directors, two are women.

As set forth by the aforementioned Capital Companies Act, the directors must comply with the following duties:

- Duty of diligent administration.
- Duty of loyalty.
- Prohibition against using the company's name and invoking the status of a director.
- Prohibition against benefiting from business opportunities.
- Duty to communicate conflicts of interest with the company.
- Duty of non-competition.
- Duty of secrecy.

Composition of the Board of Directors of Industria de Turbo Propulsores S.A.U

The composition of the Board of Directors of Industria de Turbo Propulsores, S.A. (Single Shareholder Company) is as set out below:

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2024	
Chair	Juan María Nin Génova
Non-Board Member Secretary	Javier Villasante Ferrando
Non-Board Member Vice Secretary	Javier Rovira Benítez
Members	Eva Azoulay
	Carlos Alzola Elizondo
	Javier Lázaro Rodríguez
	Ivano Sessa
	Davide Vidotto
	Enrique Hernández Vitón
	Javier Ortigosa Salvador
	Miguel Fco Azorín Aguirre
	Juan Alberdi Alberdi
	Salvador Álvarez Pascual
	Enrique Parra Arce
	Andrej Victor Mykola Wasyl Busch
	Andrea Filippa
	Fátima Porras Olalla
	Marc Thomas Murtra Millar
	Juan Pablo Quiroga

Industria de Turbo Propulsores S.A.U Board Committees

The Board of Directors of Industria de Turbo Propulsores, S.A. (Single Shareholder Company) set up two specialised Board committees: the Audit and Compliance Committee and the Appointments and Remuneration Committee, each of which has its own rules of procedure as set out in the Board Regulations of ITP SAU.

- **Audit and Compliance Committee**

In accordance with the provisions of Article 32 of the Articles of Association and Article 12 of the Regulations of the Board of Directors, it was agreed to form an Audit and Compliance Committee at the core of Industria de Turbo Propulsores, S.A. (Single Shareholder Company), with the aim of supervising the systems of internal control and risk management, internal auditing and regulated financial information, establishing appropriate relationships with external account auditors, as well as informing and drawing up proposals for the Board of Directors on compliance with legal standards, the prevention of the Risk of Criminal Liability, Internal Policies, an Ethical Channel and the Ethics and Compliance Programme, among other matters.

The current composition of the Audit and Compliance Committee is as follows:

- Marc Thomas Murtra Millar
- Davide Vidotto
- Miguel Francisco Azorín Aguirre
- Ivano Sessa
- Juan Alberdi Alberdi

Mr Andrew Woosey holds the position as Chairperson for a term of five years and Mr Javier Villasante as Secretary for the same term.

- **Appointments and Remuneration Committee**

In accordance with the provisions of Article 32 of the Articles of Association and Article 13 of the Regulations of the Board of Directors, it was agreed to form an Appointment and Remuneration Committee, with the aim of informing and drawing up proposals regarding the appointment and remuneration of the Directors, of the members of the Committees and of the managers of Industria de Turbo Propulsores, S.A. (Single Shareholder Company) where mandatory under the Articles of Association and the Regulations.

As a result of the above, it was agreed to appoint the following directors as members of the Appointment and Remuneration Committee:

- Ivano Sessa
- Andrej Victor Mykola Wasyl Busch
- Juan María Nin Génova

It was also agreed to appoint Mr Ivano Sessa as Chairperson for a term of five years and Mr Javier Villasante as Secretary for the same term.

5.2. ETHICS AND COMPLIANCE

Integrity is one of the guiding values of ITP Aero Group's 2024 ESG plan.

In addition, the ESG strategy, approved in 2023, the ITP Aero Group has the ambition to act ethically and responsibly following best practices, internally and across the value chain. This is why Integrity, Compliance and Anti-Corruption are priorities and objectives have been set for the coming years:

ESG Strategic Objective[2]:

INTEGRITY AND COMPLIANCE. ANTI-CORRUPTION

- The ITP Aero Group has a Global Compliance System, which covers 100% of the company through a Global Programme in BidCo, as well as in other group companies. This target is maintained in 2025. It will be adapted to align it with the new perimeter of the ITP Aero Group.
- The ITP Aero Group has developed the ITP Aero UK Compliance Programme for 2024 (defining the risks and identifying the controls ITP Aero has in place in the UK) to include UK companies in ISO 37001 certification for 2025.
- New Code of Conduct in 2025, with 95% employee adherence by 2026.

The ITP Aero Group is committed to the highest standards of quality, safety and professional ethics in its activities, and therefore has a compliance system that takes into account legal requirements and goes beyond them, as it is a management tool that promotes continuous improvement.

Everyone who makes up ITP Aero is committed to the culture of compliance that the company promotes, the same commitment that ITP Aero demonstrates to its customers, suppliers, partners and collaborators, as well as to society in general.

5.2.1. Criminal compliance and anti-bribery management system[1]

The ITP Aero Group affords particular attention to compliance with legal mandates that might entail criminal liability for the company due to acts committed by personnel. Thus, it has in place a criminal compliance and anti-bribery management system that is a sign of the company's commitment regarding compliance. This system identifies, among other things, the established checks to prevent or mitigate the risk of exposure of any employee, collaborator or manager to criminality associated with the company's activity, as well as to any risk related to corruption or bribery.

In 2024, ITP Aero renewed its certifications under the UNE 19601 (Criminal Compliance) and ISO 37001 (Anti-Corruption) standards, which were first obtained in 2022, making it the first Spanish aeronautical manufacturer to receive criminal compliance and anti-bribery certificates from the external entity AENOR.

The ITP Aero Group's Criminal Compliance and Anti-bribery Management System covers more than 5,000 employees and is certified under the aforementioned standards in Spain and Mexico, with more than 3,500 employees in 8 ITP Aero centres, corresponding to 70% certification. Over the past year, work has been underway to prepare for certification to ISO37001 in the UK, a milestone we hope to achieve by 2025.

One of the major milestones of 2024 was the appointment of a new General Counsel and Chief Compliance Officer. Work will continue under the previously defined scheme.

Thus, the body responsible for criminal compliance is the Crime Prevention Committee, which delegates the daily management of the operative functions of the system within Ethics & Compliance, which is global in scope, with supervisory powers over the compliance system within the ITP Aero Group. It is a decision-making forum that meets periodically, analyses the information reported by the Ethics & Compliance function and issues an annual report to the Board of Directors on compliance matters. In addition, the number of Ethics & Compliance reports to the Executive Committee was increased from two to four reports per year during 2024.

The ITP Aero Group has an Ethics & Compliance area made up of 7 people, who in turn make up the Internal Ethics & Compliance Committee, which meets on a quarterly basis to monitor all relevant points of the Management System, such as criminal and anti-bribery risks, controls, ongoing projects, use of the ethical channel, improvement actions, training and awareness, among others.

During 2024, progress continued to be made in criminal risk management, focusing on activities that could facilitate bribery and corruption. In addition, an identification of risks and controls specific to our UK centres has been carried out. It is interesting to note that there is a corporate tool in which these risks are managed and measured (creating heat maps with high, medium and low risks), and the controls that the company has in place to mitigate them, following the group's global risk procedure and a specific procedure with details for the assessment of criminal risks. Another new feature of 2024 is that specific training on risks and controls has been provided to the areas of the company related to the compliance and corruption risks identified in our management system.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.
[1] The ratings, awards and certifications are differentiated according to the companies to which they refer, so in some cases the reference is to ITP Aero and not to the Group.

In addition, the department constantly monitors various processes to mitigate criminal and bribery risks, such as payment for certain services, gifts and hospitality, both given and received, sponsorship activities and conflicts of interest, among others.

Likewise, annual external and internal audits are conducted to evaluate the efficacy of the established checks, and remedial and improvement actions are proposed. In addition to audits of the Criminal Compliance and Anti-bribery Management System, in 2023 the majority shareholder contracted a British law firm to conduct a specific compliance audit focused on: Anti-bribery and Corruption, Money Laundering, Sanctions, Exports, Data Privacy and Competition. This audit, which in 2023 resulted in an inherent risk assessment of medium-high and a rating of the System as "adequate" (4 out of 5), after the 2024 review, resulted in a decrease in the Group's residual risk to medium risk and an increase in ITP Aero Group's score in many of the audited areas, making ITP Aero Group one of the top performers in Bain Capital's Compliance portfolio. In addition, the implementation plan of the resulting recommendations was followed up and 100% completed and new improvement actions were proposed for the next 2 years.

Similarly, internal audits of the Criminal Compliance and Anti-Bribery Management System have been carried out, including for the first time the UK centres within the scope of the audit.

The Compliance Group is a communication channel between the Ethics & Compliance department and all areas of the company with Compliance responsibilities. Throughout 2024, the reporting process to the Ethics & Compliance function was further strengthened to ensure smoother communication across all areas.

In addition, a Know Your Partner Committee manages high-risk third-party authorisations and relevant third-party issues. These are all governance mechanisms put in place to ensure that ethics and compliance issues are taken into account in decision-making at different levels of the organisation.

In 2024, a programme was defined that included objectives grouped into three main axes: Readiness, Excellence, Culture (REC) to be ready for the implementation of a state-of-the-art Compliance management system, which all ITP Aero Group employees are committed to. At the end of the year, compliance with the programme was 88%.

It is important to note that the company's global remuneration, based on the definition of global and specific annual objectives by area, is also subject to Compliance criteria. If there is a breach of the principles of the code of conduct or other conduct contrary to the company's values, bonuses may be suspended. In this way, not only performance but also behaviour is rewarded.

In 2024, work also started on improving E&C reporting to the Executive Committee and the Board of Directors with the creation of a Power BI dashboard that collects KPIs containing all relevant departmental information (including governance and resources, Speak up channels, third party management, E&C processes, risks and controls, training and communication, and monitoring and auditing).

In relation to the development of the function, it is worth highlighting the team's attendance at various forums as speakers and the 55 hours of training received by the team throughout the year, among others.

5.2.2. Code of Conduct and Policies

Code of Conduct and Suppliers' Code of Conduct

The Code of Conduct is the backbone of the criminal compliance and anti-bribery management system of the ITP Aero Group and establishes the main responsibilities and rights that should be complied with by all those working within the Group. It also serves as a guide for the performance of the company's day-to-day activities. Employees sign the code of conduct as proof of understanding of their rights and responsibilities regarding ethics and compliance.

In addition, the ITP Aero Group has a Supplier Code of Conduct, which establishes the obligation for its suppliers to comply with ethical principles and behavioural expectations in environmental, social responsibility, governance, and anti-corruption matters in line with the Group's Code of Conduct. This includes, for example, not offering gifts that could influence business decisions or establishing measures for compliance with regulations and laws related to the fight against corruption.

Both are available on the ITP Aero website so that anyone within or outside the Group can find out about them.

In addition to the codes of conduct, the ITP Aero Group has policies in the field of ethics and compliance, which, together with the Code of Conduct, are approved by the Board of Directors and apply throughout the ITP Aero Group.

Global Compliance Policy

The global compliance policy defines the scope of the programme and establishes the framework and basic principles of the department, demonstrating the commitment of the Board of Directors and senior management in terms of ethics and compliance.

Criminal Compliance Policy

This defines the basic principles of ITP Aero's crime prevention model and the criminal compliance management system, which reflects the firm commitment to the prevention and detection of criminal risks associated with the Group's activity.

Anti-Bribery and Anti-Corruption Policy

ITP Aero has a zero-tolerance policy when it comes to bribery and corruption regardless of local legislation or customs, even if it means losing business. Therefore, a policy has been developed that establishes the basic rules and a framework for preventing and detecting bribery and corruption in the activities of the Group's personnel. This policy applies to all professionals within the Group as well as to third-party (agents, consultants, promoters, intermediaries, etc.) representing it, including all its legal entities and all of its registered offices in its various geographical locations.

Policy on Facilitation Payments

The ITP Aero Group has developed a policy on facilitation payments, recognising that this type of payments are considered a form of bribery. This policy prohibits facilitation payments, whether permitted by local laws or not, however insignificant. This prohibition extends to any individual, promoter, advisor, intermediary, consultant, etc. that makes payments on behalf of the Group.

Policy on Gifts and Hospitality

The ITP Aero Group accepts and offers gifts and hospitality as good business practice within pre-determined limits. Gifts and excessive or inappropriate hospitality may be a form of bribery or corruption, which is absolutely prohibited by law and by the Group's policies.

The gift and hospitality policy provides a specific framework and rules for the registration, notification and approval of gifts and hospitalities, whether offered or received. In 2024, more than 100 requests for gifts and hospitality have been handled.

Conflicts of Interest Policy

A conflict of interest is any relationship that may adversely affect an employee's ability to make fair and objective decisions, or act in the best interests of the company. The ITP Aero Group has developed a policy regarding this issue, which is mandatory and applicable to all employees and representatives of the company and establishes the obligation to report when situations of this type are detected, in order to be aware of any existing conflict and the proposed mitigation measures.

Fifteen conflicts of interest are currently identified and managed within the Group. In 2024 there has been no non-compliance due to conflict of interest.

Lobbying and Political Relations Policy

There is a lobbying and political relations policy in place, which regulates the activities of employees and individuals acting on behalf of the ITP Aero Group, so that these activities are conducted with honesty, integrity and transparency. In this regard, a record of interactions with public entities has also been created.

ITP Aero Group has no preference for any particular political party over others. Therefore, ITP Aero Group does not make private donations to political parties or organisations linked to them.

This Policy was updated in 2024 and approved for update by the BIDCO Board of Directors in September.

Know Your Partner (KYP) Policy

The "Know Your Partner" (KYP) policy and procedure establishes the process for knowing the risk of corruption and bribery in business relationships with third parties, taking action to mitigate them, and detecting any signs of inappropriate behaviour, and acting accordingly.

A verification of the company and its shareholders is carried out before entering into a relationship with certain suppliers, customers or business partners, as well as whenever there are indications or suspicions of any irregular activity.

When classifying third parties, it is important to recognise high-risk partners, understood to be an agent, promoter or intermediary that represents a Group and helps it to market and distribute its products and services, or conducts administrative processes on behalf of the Group.

The ITP Aero Group has a high-risk partner management system based on its own policy, on processes and procedures in place to ensure the recruitment of representatives of proven integrity, who are required to conduct themselves according to the ITP Aero Group's standards. Furthermore, the Group ensures that it will only enter into contracts where there is a real need from a business perspective and once it has conducted a scrupulous assessment of the proposed candidates.

A tool for managing the risks associated with third parties is in place, through which around 200 companies were included during 2024 to reach more than 1,000 monitored third parties, of which 2.1% are high risk and 3.6% medium risk.

ITP Aero Group includes clauses in its contracts with third parties that cover aspects such as anti-corruption and bribery, money laundering, and tax evasion, among others.

Social Investment Policy

The ITP Aero Group collaborates with associations, foundations and other non-profit organisations in its environment to promote sustainable development. In order for these charitable contributions to be made under the values and principles set out in the Code of Conduct and to avoid incurring improper or excessive sponsorship or donations that may constitute a form of bribery and corruption, a charitable contributions and social sponsorship policy has been developed. The ITP Aero Group's support, among others, for STEM training is relevant. A new version of this policy was approved in September 2024 by the Board of Directors.

Antitrust and Competition Policy

ITP Aero Group's Competition and Antitrust Policy sets out mandatory guidelines for all its employees and subsidiaries to ensure compliance with international competition regulations, detailing Prohibited Anti-Competitive Practices such as Price Fixing, Bid Rigging, Market Sharing, Exchange of sensitive commercial information, exclusivity, and also provides guidelines on behaviour in relations and communications with customers and suppliers to ensure compliance with current regulations, warning of the serious penalties that the company may incur and the reputational damage it could suffer. Training on competition rules is provided every 18 months to employees who may be affected by the rules.

Respect for Human Rights

The Code of conduct establishes the obligation to guarantee the fundamental rights of all individuals working at the ITP Aero Group and compliance with the core conventions of the International Labour Organization:

- Freedom of association and the right to collective bargaining.
- Rejection of any form of forced or coerced labour, as well as the employment of minors.
- An inclusive and discrimination-free workspace.
- Respect for a good work-life balance.
- Equal treatment of all employees and candidates.
- Encouraging respectful treatment between people at work, with zero tolerance of violent behaviour, physical, psychological or moral harassment or abuse of authority, or intimidating and offensive behaviour.

In addition, ITP Aero Group has published a Modern Slavery and Human Trafficking Statement in 2024 showing its commitment to respect human rights. This document, available on the ITP Aero Group website, demonstrates the knowledge of the risks associated with this matter and the commitment to mitigate them both in the company and in its supply chain.

5.2.3. "Speak Up" Channel

The ITP Aero Group is committed to creating and maintaining an environment in which questions or concerns about ethics and compliance can be raised without fear of reprisals, and the Ethics Channel that has been active for more than 9 years is proof of this.

This channel allows employees, customers, suppliers or anyone who needs it, to resolve queries or concerns about ethical issues or to make a complaint. In addition, it guarantees confidentiality and allows anonymous complaints to be handled.

The ITP Aero Group undertakes to respond to all complaints that fall within the scope of the Ethics Line (potential violations of the Code of Conduct, violation of human rights, violations of European regulations, potential commission of offences, etc.) and to investigate them.

ITP Aero Group ensures non-retaliation measures for complaints made in good faith. In 2024, 62 complaints were registered on the ethics channel, 27% of which were founded. 48% of the complaints received during 2024 were anonymous.

Of the 19 cases, 12 were for unethical behaviour (understood as a violation of the ITP Aero Group Code of Conduct) and 7 for harassment. According to the UN human rights categorisation, the 7 cases of harassment/workplace bullying can be classified as having a potential human rights impact. During 2024, ITP Aero Group has had no incidents related to Corruption and Bribery.

Complaints on the Ethics Channel

FOUNDED CASES[1]	2022	2023	2024
Unethical behaviour	5	2	12
Holidays and days off	0	0	0
Regulatory non-compliance	0	0	0
Harassment/workplace bullying	2	3	7
Sexual harassment	0	2	0
Inappropriate use of resources	1	0	0
Third-party behaviour (does not include bribery)	1	1	0
Environmental, Health & Safety	2	0	0
Data Privacy	1	0	0
Discrimination	1	0	0
Theft / loss	1	0	0
TOTAL	**14**	**8**	**19**

[1] In 2023, the term "substantiated" was replaced by "founded" without changing the typology of cases to be compared, as the definition is the same. This change facilitates the terminology of case resolution.

In addition to the complaints, the Ethics & Compliance area has received 46 queries through the Ethics Channel.

A differential value of the ITP Aero Group compared to other companies is the existence of an extensive network of LEAs (Local Ethics Advisors). LEAs are employees who voluntarily help promote an ethical culture at the ITP Aero Group. Reinforcing the Speak Up policy, they represent a close channel for people to ask questions or raise concerns about ethical issues in an agile way and, likewise, advise where to find information and/or who to contact, in addition to acting as intermediaries if necessary.

The ITP Aero Group has 62 LEAs distributed in all centres and countries in which it operates. There are 51 LEAS in Spain, 7 in the United Kingdom, 8 in Mexico, 1 in Malta and 1 in India.

During 2024, the LEAs reported 41 situations in which they helped their colleagues, giving visibility to issues that are not dealt with in other forums and facilitating the creation of criteria among different centres of the Group.

In 2024, for the second time, the LEA Convention was held in Spain, Mexico and the United Kingdom. A different and dynamic day to develop interpersonal skills as well as bringing the network of volunteers closer together.

These channels are promoted and made known through the "Speak Up" policy, which also includes the figure of specialists in compliance issues who belong to different areas of the ITP Aero Group and the Ethics & Compliance team itself, which is always available to support any concerns or queries.

5.2.4. Awareness-raising

The Ethics & Compliance area of the ITP Aero Group is responsible for ensuring the application of the Code of Conduct, defining, and maintaining the compliance framework, promoting a culture of compliance and coordinating advice on this matter in the Group.

During 2024, various internal and external campaigns were launched to raise awareness and sensitise employees to the culture of ethics and compliance. These are set out in an annual E&C awareness-raising plan which includes both training and communication actions to prevent corruption and encourage good ethical practices by employees. In 2024, this awareness-raising plan was achieved at a rate of more than 83%.

A mandatory Speak Up course was launched in mid-2024 for all Group employees. This interactive course included videos and questions for employees to participate in and evaluate themselves at the end. In addition, the assessment of each employee was requested in order to be able to collect improvements to be implemented in the future. It was completed by around 5,330 employees, a 98% completion rate.

Likewise, and following the indications of the standards UNE 19601 (Criminal Compliance) and ISO37001 (Anti-Corruption), specific actions were carried out with regard to personnel especially exposed to criminal risks, such as specific training for them. Once again, this year, the people who form part of this group (more than 700) have signed the specific declaration to confirm that they know that they are exposed personnel and they that they need to comply with the Compliance System and declare their willingness to promote the culture of Compliance and ethical principles of our Code.

During 2024, around twenty communications were made through the company's internal and external channels. Among other activities, it has participated in several round tables specialised in Compliance, such as the IOC Convention held in June. Once again, this year, the International Anti-Corruption Day was commemorated on 9 December and, as a new development, the figure of the LEAs was promoted by holding breakfasts in various work centres to explain their role and once again demonstrate how close and accessible they are to the rest of their colleagues.

As every year, interactive communications were carried out both internally and externally regarding gifts and hospitality for the Christmas period, reminding all our employees and partners of best practices for giving and receiving gifts, in line with the G+H Gifts and Hospitality Policy. At the beginning of 2024, specific training on this policy and the situation registration system was provided to the identified stakeholders.

In order to get first-hand feedback from all employees on compliance issues, a number of questions have been introduced in the ITP Aero Group's "Building ITP Aero together 2024" survey. This will help to focus actions and improve for the future.

With the acquisition of BP Aero in 2024, the Ethics & Compliance policies and Code of Conduct were rolled out. As well as training on these issues for a better understanding of their employees.

In addition, the ITP Aero Group Ethics Channel is available to all BP Aero stakeholders who wish to consult or report compliance issues.

5.3. OUR SUPPLY CHAIN

5.3.1. Context

The supply chain in the aeronautical and defence industry is a complex ecosystem spanning multiple levels of suppliers. From the procurement of raw materials to the delivery of components and services, disruptions or inefficiencies at any level can have significant impacts on production timelines and customer satisfaction.

The sector continues to face significant challenges in 2024 in an environment of very significant growth in activity. Despite efforts to stabilise and optimise operations, several factors continue to affect the efficiency and resilience of the supply chain:

GEOPOLITICAL TENSIONS:	Ongoing geopolitical tensions, including the war in Ukraine and sanctions on Russia, as well as conflicts in other regions, continue to impact the availability of essential raw materials such as titanium and steel.
AVAILABILITY AND PRICES OF RAW MATERIALS:	Shortages and price increases of key raw materials, such as nickel, cobalt and titanium alloys, continue to pose significant operational and financial challenges.
HIGH LEVELS OF INFLATION:	Sustained high inflation for several years, affecting all cost components (energy, labour, basic raw materials, etc.) as well as financing costs, leading to a narrowing of margins for suppliers who are unable to pass on increases to their customers.
FINANCIAL STABILITY OF SUPPLIERS:	Economic uncertainty and market fluctuations are testing the financial stability of suppliers, which could affect the continuity and quality of supplies.
DECARBONISATION AND REGULATIONS:	New sustainability regulations in the EU (CSRD, CSDDD, CBAM) impose environmental and human rights requirements, forcing the supply chain to adapt to increased transparency and emission reduction requirements.

In summary, the aerospace and defence industry in 2024 is exposed to significant supply chain risks, including persistent raw material shortages, labour shortages and geopolitical tensions. These factors create critical bottlenecks, disrupt production schedules and threaten the stability of OEM operations. At the same time, the market experiences rapid growth, leading to an imbalance between demand and supply, driving overall price inflation.

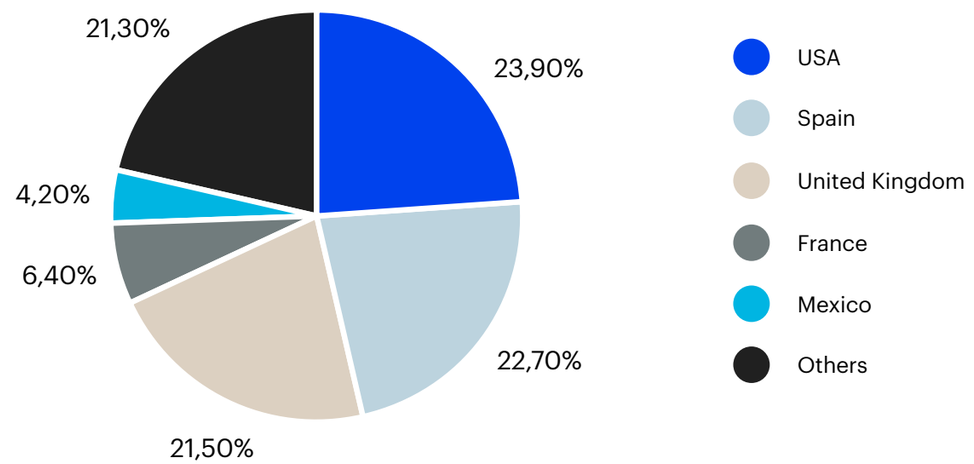
ITP AERO GROUP'S SUPPLY CHAIN MAP

The ITP Aero Group's supply chain consists of the following purchasing families:

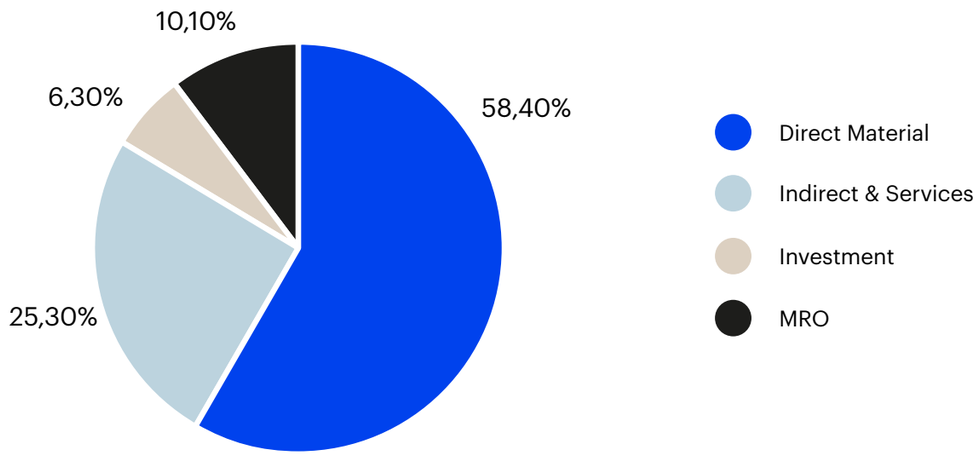
- **Direct materials:** Aeronautical components that are integrated into engines.
- **Indirect materials:** Materials essential to the production process, but not directly integrated into the final products.
- **Services:** Services that support operations, such as consultancy, logistics and maintenance.
- **Investments:** Acquisitions of capital goods and long-term assets.
- **MRO (Maintenance, Repair and Operations):** Suppliers offering maintenance and repair services for the MRO business.

In 2024, the ITP Aero Group made purchases exceeding €1 billion, distributed among a total of more than 2,400 suppliers. Of this amount, 58.4% went to direct materials, 25.2% to indirect materials and services, 6.3% to investments, and 10.1% to MRO. It is important to note that 40 suppliers accounted for 50% of the total volume of purchases.

PURCHASE VOLUME PER COUNTRY



PURCHASE VOLUME PER TYPE



5.3.2. Our relationship with suppliers

The supply chain is a fundamental pillar of ITP Aero Group's development, which is why we maintain a close relationship with our suppliers.

RELATIONSHIP WITH SUPPLIERS

Through various collaborative strategies, we promote a strong and mutually beneficial partnership for the value chain:

Growing together and sustainably, generating value in both directions:

We work closely with our suppliers to develop an efficient and sustainable supply chain, creating value for both ITP Aero Group and our suppliers.

Developing collaborative programmes in R&D&i:

We promote innovation and the joint development of technologies that boost the competitiveness and sustainability of both parties.

Providing greater visibility and long-term business opportunities:

We offer our suppliers a clear vision of our strategy and demand and new opportunities for long-term growth.

Long-term agreements that enable dedicated investments and resources:

We establish relationships of trust through long-term agreements, which allows our suppliers to make strategic investments and dedicate material and human resources to meet our expectations.

Promoting the development of new capabilities in our suppliers:

We encourage growth and diversification of skills in our suppliers, thus strengthening our supply chain and its ability to adapt to market challenges.

This strong, collaborative relationship with our suppliers enables us to mitigate challenges and seize opportunities in an increasingly complex and dynamic business environment.

COMMITMENT TO THE LOCAL SUPPLY CHAIN[4]

The ITP Aero Group adopted a strategy focused on the development of its local supply chain for its strategic purchases, thus promoting job creation and strengthening the industrial fabric in the regions where it operates. This local supply chain is focused on both the production of direct material (components for the turbines and process subcontracting for our own production lines), as well as indirect material (cutting tools, fixtures, machinery, etc.) and services (engineering, industrial maintenance, IT consulting, etc.).

By 2024, more than 50% of purchases were through approximately 2,000 local suppliers.

5.3.3. ESG in the Supply Chain

The Supply Chain is an essential pillar of ITP Aero Group's ESG model, reflecting our commitment to sustainability and corporate responsibility. This strategic approach drives us to work closely with our suppliers to ensure compliance with ESG criteria, which cover environmental, social and corporate governance aspects.

[4] A supplier that is located in the same country as the ITP Aero Group company for which it carries out operations is considered local (Spain, United Kingdom, Mexico, India, Malta, US).

ESG Strategic Objective[2]:

SUSTAINABLE PROCUREMENT

The ITP Aero Group's commitment to ESG criteria and extension to its main suppliers is reflected in the following:

- The definition of criteria to assess the supply chain regarding ESG aspects, as well as the sustainable procurement strategy and operating model to be implemented by 2027.
- Suppliers' adherence to the Code of Conduct

A roadmap has been designed to to meet the objectives set, and in 2024 significant progress was made, including the following:

- **Definition of ESG Criteria in the Supply Chain:** In 2024, the company successfully completed an ESG assessment programme with a representative sample of 24 suppliers, achieving 83% participation. (see below for more details)
- **Adherence to the Code of Conduct.** During 2024, the ethical commitment to suppliers was reinforced by the inclusion of the Code of Conduct adherence clause in the new contract standard. This effort was complemented by:
  - » Integration of adherence to the Code of Conduct in quality system audits and online ESG assessments.
  - » 100% of suppliers participating in the ESG assessment programme have confirmed their awareness of the ITP Aero Supplier Code of Conduct and their adherence or alignment with their own code of conduct. In addition, 62% of the suppliers evaluated have specific clauses on the Code of Conduct, as well as environmental and social clauses incorporated in their contracts.
- **Governance and Supervision.** ESG governance in the Supply Chain is articulated through a quarterly supply chain ESG committee, which has as its main mission:
  - » To monitor the progress of the strategic objectives of sustainable purchasing.
  - » To evaluate the main actions undertaken and define the next steps.
  - » To analyse key performance indicators (KPIs) related to ESG.
- **Awards and Certifications.** In 2024, ITP Aero achieved a Platinum medal in the EcoVadis certification with a score of 91, especially in the Sustainable Purchasing pillar, which improved from 50/100 to 80/100.
- **Participation in global initiatives.** Our membership of the United Nations Global Compact and our membership of the International Aerospace Environmental Group (IAEG) reinforce our leadership in sustainability. These collaborations allow the Group to work with other companies in the industry to develop standards, share innovative solutions and address regulatory and sustainability challenges.

PILOT PROJECT: ESG ASSESSMENT WITH SELECTED SUPPLIERS

In 2024, the ITP Aero Group launched an Online ESG Assessment pilot project with selected suppliers, with the aim of assessing ESG maturity in the supply chain, identifying risks and opportunities, sharing best practices and laying the foundation for a sustainable purchasing strategy to be fully implemented by 2027.

For this project, the company developed a specific ESG checklist, focusing on 10 key sustainability areas. Suppliers were selected based on criteria such as volume of spending, geographical location, product type, company size and business relationship with ITP Aero Group. During online review sessions with suppliers:

- Context on ITP Aero Group's ESG strategy was provided.
- The company analysed their self-assessments to get a clearer picture of their ESG maturity.

The results obtained were analysed and consolidated into an initial supply chain ESG maturity map, which was shared with the supply chain team as a basis for further action.

Main Results

- Opportunity to support small companies in their ESG development, helping them to strengthen
- Need to align the different ESG requirements demanded by their customers with the new regulations
- High level of adherence to the Code of Conduct, but this needs to be reinforced with contractual clauses.

Next Steps in 2025

- Sustainability Training Programme for SMEs in collaboration with UN Global Compact
- Working with IAEG (WG 11) to promote an industry standard.
  Maturing an operational model to align with CSRD
- We will reinforce adherence to the Code of Conduct by including specific clauses in contracts with suppliers.

[2] For more information on the ESG Strategy and Objectives, see details in section 2.1.3.

5.3.4. Structure of the ESG Programme in the Supply Chain

The ESG supply chain programme is based on a strategic, process-orientated approach that ensures sustainability and resilience through integrated initiatives. This approach is organised into the following key areas:

Policy - Code of conduct for suppliers: Declares ITP Aero Group's commitments, setting ethical and sustainable standards and expectations for suppliers.

Supplier Selection and Integration Process: Ensures the selection, integration and signing of contracts with embedded ESG criteria.

Risk Management in the Supply Chain: Includes identifying, monitoring and conducting ESG risk audits to anticipate and mitigate potential impacts.

Quality Management in the Supply Chain: Encourages the development and continuous improvement of quality aspects within the supply chain.

Management of social aspects in the Supply Chain: Promotes responsible practices and manages the traceability of conflict minerals, in line with ethical and legal principles.

Management of Environmental Aspects and Decarbonisation, Circularity: Applies environmental management systems and develops the REVERT programme to reduce emissions.

Digitalisation of Processes: Implements digital tools to optimise traceability, efficiency and transparency in operations.

Improvements and Innovation: Boosts productivity through projects such as VSM (Value Stream Mapping) and encourages the adoption of sustainable technologies.

Training Programme: Develops and strengthens ESG competencies of teams and suppliers, promoting a culture of sustainability.

Each of these points is developed in detail below.

• Policy - Code of Conduct for Suppliers

The ITP Aero Group recognised that sustainability is essential for their stakeholders and for the future of the aviation industry. They therefore integrate Environmental, Social and Governance (ESG) principles into all aspects of our operations, including our supply chain.

As part of the commitment, they have issued a **Statement Against Modern Slavery and Human Trafficking**, in which they commit to implementing global policies and processes that prevent any risk of human rights violations, including cases related to modern slavery and human trafficking, both within their operations and throughout our supply chain.

In addition, there is a specific policy that reinforces the security of the supply chain, protecting domestic and international trade from illicit activities, which applies to all employees and partners of **ITP Mexico**.

In line with the vision of building an ethical and sustainable supply chain, ITP Aero Group has established a **Supplier Code of Conduct**, which aims to define clear ethical principles and expectations in the areas of environment, social responsibility, governance and anti-corruption. This code contributes to the creation of sustainable value and requires the suppliers to adhere to the established corporate principles, formalising their commitment by accepting the contractual terms and conditions.

In addition, the company offers their suppliers access to the **ITP Aero Group Ethics Channel**, a confidential channel designed to enable them to report any ethical concerns in a secure manner. This approach reflects the commitment to transparency, integrity and ethical management at all stages of the supply chain.

For more details on the **Speak Up** policy, Ethics Channel management procedure and related reporting, please refer to the **Ethics and Compliance** section of this report.

• Supplier Selection and Integration Process

Supply Chain Development Procedure

The ITP Aero Group follows **a procedure for the selection, development, and integration of suppliers**, detailed in the Process of Developing the Supply Chain, which is one of the Company's core processes. This process aims to ensure transparency and a level playing field for the different bidders. Supplier qualification is a requirement for participation in purchasing processes. The approval of new suppliers involves a comprehensive initial evaluation, which includes aspects such as adherence to the Code of Conduct, commitment to ESG, technical and operational risks, among other aspects. A checklist is used for this, which has been **undergoing improvements over the past 2 years.**

Long-term Agreements (LTAs) and their ESG focus.

ITP Aero Group establishes long-term agreements with suppliers, leveraging volumes, mitigating risk and generating a strategic relationship that guarantees sustained growth over time. In this regard, LTAs (Long Term Agreements) include sustainability clauses that demonstrate due diligence on environmental, social and ethical risks in their business relationships. In the 2024 update of the LTA template, we have strengthened these ESG clauses, including clauses on conflict minerals and cybersecurity.

To guide suppliers in understanding and applying the requirements of LTAs and purchase orders, the Group created the SupPORT Handbook for direct material purchases. This handbook details contractual terms and quality requirements, as well as ESG aspects such as ethics, compliance, environment and conflict minerals. In 2024, points relating to decarbonisation, health and safety, and information security were updated. Suppliers are required to self-assess with each new revision of the handbook, promoting a strong and transparent relationship.

• Supply Chain Risk Management

Supply chain risk management is a strategic priority for the ITP Aero Group. To ensure safe and sustainable operations, we have implemented the following risk assessment and monitoring process.

1. **Screening of New Suppliers:** All new suppliers must go through a screening and approval process, which involves several corporate departments, including Export Control, Compliance, Finance, Systems. This approach ensures that each supplier complies with the group's ethical, legal and operational standards. In addition, for new suppliers in the Direct Materials families, a detailed initial assessment including ESG aspects is carried out.

2. **Due Diligence Process: "Know Your Partner":** This process establishes specific procedures to identify and mitigate risks associated with bribery and corruption in business relationships with third parties. Through "Know Your Partner", we proactively detect any signs of misconduct and act to ensure transparency and integrity.

3. **Continuous Risk Monitoring:** We have a system that assesses technical, financial, operational, geopolitical and cyber security criteria, enabling us to identify emerging risks, implement action plans and increase supply chain resilience.

4. **Periodic Audits:** We carry out regular audits of our suppliers to monitor compliance with established standards and guarantee the performance of our operations. These audits, aimed at both new suppliers and those identified as key suppliers, are carried out using an audit questionnaire, which was improved during 2023 and 2024, to address relevant issues such as adherence to the code of conduct, the existence of an occupational health and safety management system, the environment and compliance with regulatory requirements.

In 2024, 148 audits were carried out in the supply chain, of which 36 were planned to include ESG criteria. Of these, 28 were completed, representing 78% compliance with the plan. In addition, 8 cases requiring ESG-related corrective actions were detected, of which 3 have already been resolved.

Supplier supervision and audit systems	2022	2023	2024
Audits carried out	96	94	[3]148
Closed audits[1]	86	90	[3]128
Audits with ESG criteria	[2]No data	22	28

[1] Audits closed: audits in which actions related to "non-conformities" have been closed after follow-up.
[2] Audits with ESG criteria: In 2022 these were carried out, but the KPI was not measured.
[3] 43 special process audits were carried out in 2024, a significant increase in special process audits to adapt to new special process requirements.

- **Quality Management in the Supply Chain**

The ITP Aero Group maintains high standards of quality and safety in its products and services within the supply chain, aligning itself with industry standards and the requirements of their customers. To develop the capacity of the supply chain and ensure compliance with these standards, the company deployes quality manuals (SUPPORT Manual, RCSs), provide training, accompany suppliers in the process of developing new products and carry out periodic audits to guarantee compliance.

- **Management of social aspects in the Supply Chain**

Compliance with legal requirements and the code of conduct

In terms of social and labour management, the ITP Aero Group requires its supply chain, through Long Term Agreements (LTAs), to strictly comply with legal requirements and the code of conduct.

This includes guaranteeing the protection of human rights, the absolute prohibition of child labour, forced or involuntary labour, as well as the prevention of any form of discrimination in employment and occupation. In addition, compliance with antitrust laws and the prohibition of any form of corruption, including extortion and bribery, is essential. These requirements are fundamental to maintaining the highest ethical and legal standards in all activities in the ITP Aero Group supply chain.

Conflict minerals

To avoid contributing to conflict or human rights abuses, ITP Aero requires suppliers to be transparent about the origin of minerals and to comply with rigorous due diligence processes. The company´s commitment to responsible mineral sourcing and supply chain transparency is reflected in the following process:

Preliminary Risk Analysis

ITP Aero Group has set up raw material alloy composition information in SAP, which allows them to check if there are 3T&G materials to control, which are traceable to the bill of materials and supplier, both in alloys and indirect materials used in the process.

Due Diligence Process

The company has implemented a set of measures to ensure compliance with legal requirements related to conflict minerals:

- Contractual clauses: the contracts require suppliers to comply with the legal regulations applicable to conflict minerals, which are also reflected in the Support Manual.
- Initial check: The Group reviews the list of raw material suppliers (melter list) from the Responsible Minerals Initiative (RMI) to identify potential risks.
- Conflict Minerals Reporting Template (CMRT): ITP asks affected suppliers to complete this document, developed by RMI.
- Continuous monitoring: Supplier reports are requested and managed by the Commodity Leaders and may be reviewed by the audit team during planned audits.

- **Management of Environmental Aspects and Decarbonisation**

Environmental management systems and regulations

Regarding the environment, the ITP Aero Group requires its supply chain to comply with current legal regulations and to have an environmental management system in accordance with international standards such as ISO14001. Likewise, it requires a commitment to comply with regulation (EC) 1907/2006, relating to the registration, evaluation, authorisation, and Restriction of Chemical Substances (REACH).

For the purchase of equipment associated with the industrial plan and training and for the provision of investment services in the ITP Aero Group facilities, suppliers are required to comply with the "Environmental Technical Specification Guidelines Standard". This is guaranteed by signing compliance with technical specifications, with the purpose of ensuring adequate environmental practices, focused on pollution prevention and environmental protection.

Decarbonisation of the supply chain Scope 3

Within the decarbonisation strategy, which the ITP Aero Group articulates through its Net Zero programme, the management of direct and indirect carbon emissions is carried out. Within the categories of indirect emissions or scope 3, "Product Use" stands out as the main contributor, followed by category 1 related to the acquisition of goods and services.

In order to reduce scope 3 emissions, it is essential to implement decarbonisation strategies throughout the supply chain. In this regard, ITP Aero Group has implemented a system to estimate the carbon footprint generated by the supply chain, providing fundamental data for the measurement and evaluation of emissions. In 2023 the carbon footprint was verified by an external entity.

In 2024, we initiated the transition to the new CBAM (Carbon Border Adjustment Mechanism) regulation. We identified suppliers affected by CBAM and launched webinars to help them comply with the new legislation. In 2025, we will work closely with suppliers to ensure compliance.

REVERT PROGRAMME

Commitment to circular economy and carbon footprint reduction

ITP Aero Group has developed the Revert programme as a strategic initiative to reduce its carbon footprint and move towards a more sustainable production model. This programme is based on the recovery and reuse of metallic materials, applying circular economy principles throughout the manufacturing supply chain.

Objectives

The main objective of the Revert programme is to maximise the reuse of materials throughout the product value chain. This approach ensures that sustainability is integrated into all supply chain operations.

Supplier Selection Criteria

To participate in the Revert programme, suppliers are selected on the basis of key criteria that ensure a positive impact on sustainability:

- **Impact on emissions:** Suppliers of forged and cast products are prioritised due to their high contribution to carbon emissions.
- **Purchase volume and strategic relevance:** Efforts are focused on suppliers with higher purchase volumes.
- **Recyclability and operational feasibility:** The capacity of suppliers to recycle materials and the operational feasibility of their recovery are analysed.

Results and evolution

Thanks to the implementation of the Revert programme, the ITP Aero Group has managed to:

- **Recycle up to 30%** of the surplus generated in manufacturing processes.
- **Achieve 70% recycling** in certain strategic products.

The Revert programme reflects ITP Aero Group's commitment to **reducing environmental impact**, ensuring that material efficiency and sustainability are fundamental pillars of the company's strategy.

- **Digitalisation of Processes**

The digitisation of processes in supply chain development has been a key pillar in improving efficiency, scalability and sustainability at ITP Aero. The standardisation of tools and processes at corporate level has enabled better integration of information and optimisation of management with our suppliers.

To this end, there are digital solutions for both internal management and collaboration with suppliers:

Tools for internal use:

- **SAP S/4HANA** as a corporate ERP for the integrated management of financial processes and operations.
- **Power BI** for advanced data analytics and decision-making based on real-time information.
- **Teamcenter** for efficient management of technical product documentation.

Tools for collaboration with suppliers:

- **Supplier Workplace** (SWS) as a collaborative platform that facilitates communication, information exchange and document management with our suppliers in a structured way.
- **SAP Ariba** for digital transaction management across the supplier relationship lifecycle, ensuring more agile, transparent and efficient processes.
- **Net-Inspect** for process-product approval management in the supply chain, improving traceability and quality collaboration.

These solutions have optimised workflows, improved traceability and strengthened supplier relationships, ensuring greater integration and efficiency in the supply chain.

Strengthening Information Security in the Supply Chain

In 2024, The ITP Aero Group initiated specific efforts to strengthen information security management in the supply chain. Actions carried out include:

- Sending questionnaires to current and new suppliers to assess the level of risk associated with their operations.
- Support to suppliers in conducting gap analyses, identifying areas for improvement and recommending actions to strengthen their information security practices.

This approach not only enhances the resilience of their supply chain, but also strengthens trust and collaboration with suppliers, aligning them with the highest standards of sustainability and compliance.

- **Improvements and innovation in the supply chain**

ITP Aero Group encourages innovation and co-development of technologies that drive the competitiveness and sustainability of the supply chain.

Value Creation: We focus on improving the productivity of our supply chain by working closely with our suppliers. We assist them in the creation of value stream maps (VSM) and value stream diagrams (VSD), essential tools for identifying and eliminating waste. Our main objective is the reduction of waste in the supply chain, which leads to significant improvements in inventory, lead time, and direct and indirect costs.

Sustainable Technologies: The ITP Aero Group works in collaboration with its partners to develop sustainable technologies. The company is committed to the development of electric propulsion demonstrators for urban and regional aircraft, as well as hydrogen propulsion.

- **Training Programme**

In 2024, there was a comprehensive training plan implemented for the supply chain team, which includes 8 specialised courses, totalling 353 hours. These courses cover key areas such as risk management, contracts, processes and digitalisation, regulation and legislation, as well as ESG (Environmental, Social, and Governance) aspects. This training programme is designed to strengthen the competencies of the team and ensure that they are well prepared to meet current and future challenges in supply chain management.

In addition, ITP Aero has launched webinars to help suppliers comply with the new CBAM (Carbon Border Adjustment Mechanism) legislation. These webinars provide practical guidance and essential resources to ensure that the company´s supply chain suppliers are well informed and prepared to adapt to the new regulatory requirements.

We have signed up to the Global Compact training programme for SMEs, with the aim of strengthening the ESG capabilities of our supply chain. This programme, to be launched in 2025, will provide specialised training and ongoing support to small and medium-sized enterprises, helping them to implement sustainable and responsible practices. Through this initiative, we seek to foster a more resilient supply chain committed to the principles of sustainability and social responsibility.

KPIs

Audit KPIs

Supplier supervision and audit systems	2022	2023	2024
Audits carried out	96	94	[3]148
Audits[1] closed	86	90	[3]128
Audits with ESG criteria	[2]No data	22	28

[1] Audits closed: audits in which actions related to “non-conformities” have been closed after follow-up.
[2] Audits with ESG criteria: In 2022 these were carried out, but the KPI was not measured.
[3] 43 special process audits were carried out in 2024, a significant increase in special process audits to adapt to new special process requirements.

Training KPIs

Hours of training Supply Chain	2022	2023	2024
Hours of training Supply Chain	No data	No data	353

5.4. INFORMATION SECURITY / CYBERSECURITY

The protection of our own information assets as well as those of our customers, partners and suppliers, as well as all the people who work in and for this Company, is of vital importance to the ITP Aero Group.

The ESG strategy reflects ITP Aero Group's ambition to act ethically and responsibly in accordance with best practices, internally and throughout the value chain. This includes information security/cybersecurity risks and opportunities which is a relevant ESG element in the Governance pillar and is part of the ESG workstreams scheme that are managed globally in the ITP Group.

5.4.1. Security organisation and leadership

To this end, a global Information Security Management System (ISMS) has been developed and in 2024 it was certified in the ISO/IEC 27001 standard, as a safeguard for the integrity, availability, confidentiality, traceability and authenticity of the information processed in the ITP Aero Group, also guaranteeing the privacy of personal data.

The management of ITP Aero Group is committed to security by providing the necessary resources and means for the development and implementation of security measures that are determined, ensuring business continuity and compliance with legal, regulatory and contractual security requirements. Consequently, the Information Security Committee was created and is responsible for the review and improvement of the ISMS and its security controls.

The information security management system is, as a minimum, subject to an internal audit every year to verify that the protocols for safeguarding customer information are followed.

And annually, ITP Aero Group conducts a yearly audit that analyses cybersecurity, the Security Management System, Risks and Information Compliance based on market standards.

- **Support for external initiatives**

The ITP Aero Group is aware of the environmental impact of the use of the systems. This is reflected in its adherence to the Cyber green proof Sustainable Cybersecurity Pact from 2023.

This pact seeks to promote practices and measures that foster online safety, while adhering to the principles of sustainability, thus recognising the need to protect the environment and to strike the right balance between technological development and environmental preservation.

- **Compliance**

To achieve this, the ITP Aero Group has a comprehensive Security Department that brings together cybersecurity, corporate security, data security (both personal and non-personal), IT risks, and information compliance, all managed in a unified and integrated manner.

During 2024, the company continued to work on supply chain risk management. ITP Aero Group's approach to product cybersecurity includes lifecycle management, vulnerability management, customer notifications, incident response, issuance of security advisories, and channels for receiving and responding to vulnerability reports.

The Group contractually requires our suppliers to secure and maintain their information technology systems and protect the company´s information on their systems, and to conduct security assessments of certain suppliers based on a risk assessment and rating process. Higher risk suppliers may be subject to more frequent on-site assessments and reassessments, using a tool to collect information on how their procedures have been improved.

- **Threat detection, correlation, and cyber intelligence**

ITP Aero has a SOC (Security Operations Centre) in place that provides coverage for events that take place in its Data Centres, perimeters, workstations and cloud environments. These services act when they receive alerts generated by the SIEM (Security Information and Event Management) tools, detecting security events defined by the Cybersecurity Directorate.

- **Response to cyber attacks**

The ITP Aero Group has an incident management procedure in place pursuant to the ISO/IEC 27035 standard whose operations are based on three actions: response, containment and eradication.

In addition, in 2024 resources and implemented processes were increased to more effectively prevent, detect and respond to cyber threats.

All employees have access to a telephone number and email account where they can report any information security incident.

5.4.2. Security culture

All individuals comprising the ITP Aero Group are guarantors of the security of the company and its clients. To this end, the Group carries out periodic awareness campaigns and has a news blog where the most significant alerts are displayed, and good practices are promoted.

During 2024, a specific course on information security was conducted for all employees, and a broad cybersecurity awareness campaign was launched.

On a quarterly basis, the Security Committee, in which many areas of the Group participate, identifies objectives and strategies related to information security and approves previously proposed initiatives, as well as amendments to the Policies.

5.5. NON-FINANCIAL RISK MANAGEMENT SYSTEM

The ITP Aero Group's risk management strategy is based on dynamic risk management throughout the Group through a simple and effective global framework, which makes risk management a fundamental element of the Company's culture, protecting and creating value, and ensuring that the business is successful, strong and sustainable.

5.5.1. ITP Aero Group's Risk Management Policy

ITP Aero Group's risks are managed as defined in the **risk policy and the Risk Management Plan (RMP)**, documents that detail the basic principles and methodology of risk management applied in the organisation.

ITP AERO GROUP`S RISK MANAGEMENT PROCESS

For risk management, the Group has established a governance structure that involves various functions, extending to the Board of Directors, with the aim of ensuring compliance with ITP Aero Group's Risk Policy. This structure is based on the following management mechanisms:

- Board of Directors
- ITP Aero Group Risk Committee
- Risk Committees for Departments, Programmes and Operational Areas
- Departmental Committees, Programmes and Operational Areas.

Risk management in ITP Aero is understood to be a continuous activity in each area of the company, where all employees are responsible for identifying, managing and communicating risks, although different roles and responsibilities in risk management have been established:

- The Board of Directors: together with the rest of the administrative bodies in each of the subsidiaries, is ultimately in charge of managing the Group's risks.
- Risk Leader: is the CEO of the Group, in charge of implementing an effective risk management system and ensuring adequate risk governance.
- Risk Champion: General Counsel. Responsible for ensuring the implementation of risk management.
- Risk Responsible: Executive Director and ultimate risk owner in the different functions, programmes, and areas. Among their responsibilities is managing the risks in their area at an acceptable level.
- Risk Owner: appointed by the Risk Responsible as the owner of the risk.
- Risk Focal Point: performed by different people in each function, programme and operational area. This person is responsible for managing the risk function in each of these.
- Risk Coordinator: ITP Aero Group Head of Risks. In charge of the risk management methodology, providing support to the Business Units, Corporate Functions and Operational Areas, carrying out risk reviews with the areas and leading the Risk Committee.
- Risks Function: led by the ITP Aero Group Head of Risks, the risk function is in charge of defining and implementing the risk management methodology, providing support so that it is properly applied, ensuring the implementation of the Risk Management Plan and safeguarding the record of risks, scheduling risk review meetings in each area, reporting risks to the Risk Committee and the Board of Directors and ensuring the deployment of training.

In each area of the ITP Aero Group, periodic risk reviews are conducted involving various Risks Focal Points, key individuals from each programme, area and function. These reviews involve updating the status of risks and identifying new risks, if applicable, while establishing the necessary controls for their correct management. In addition, action plans are established for each risk and the status of existing plans is reviewed. Furthermore, each function, area, or programme holds internal meetings to carry out its own risk management.

The last two reviews of the year were carried out in Excel format, as the Globalsuite risk tool is in the process of being updated with the new risk management methodology, which will be discussed later in the document. The risk management process consists of 5 stages:

1. **Identification:** The identification of a risk is accomplished in a straightforward manner, becoming apparent to those responsible as it derives directly from the Company's activity. The Risk Responsible must ensure that all risks in their area are identified and incorporated into the ITP Aero Group risk register.

2. **Assessment:** Once a risk has been identified, its degree of criticality must be understood. This involves assessing the likelihood of occurrence and its impact are assessed on a 3-level scale, ranging from very low to high. Additionally, consideration is given to the effect if nothing is done to mitigate it, analysing the possible negative impacts.

   The evaluation is carried out by the person in charge of the area in which the risk has the greatest effect and is agreed upon with other managers who have knowledge of the risk, following the criteria of the "Risk scoring scheme" related to the categorisation and assessment of probability and impact.

3. **Treatment and monitoring:** Once the risk has been identified and assessed, along with its appointed owner, the actions to be taken are decided. There are three possible options, detailing a mitigation plan, transferring risks to a third party such as a bank or insurance company: or accepting, understanding, and provisioning the risk. Mitigation plans must include a responsible person for the actions outlined within them and a deadline for completion of said actions.

4. **Report and documentation:** Risks are reported every three or four months to the Risk Committee, made up of the Executive Committee, the Head of Legal and the Head of Risks and at least once a year to the Audit and Compliance Committee.

5. **Assessment:** The risk management process is reviewed to achieve continuous improvement, incorporating suggestions and comments from all areas of ITP Aero Group, thus ensuring that it is efficient and meets the objectives described in the Risk Policy, as well as in the Risk Management Plan. The process is audited by the certifying entities of the management systems that ITP Aero Group has in place and audits are also received from our clients, giving rise to actions to improve the methodology.

The impact of non-financial risks is assessed according to their impact on the environment, Health & Safety or ITP Aero Group's reputation and a mitigation plan is applied to each of them in order to reduce their criticality. The criticality levels of the impact of these risks are also found in the Risk scoring scheme defined in the Corporate Risk Management Procedure.

Three risk committees were held during 2024. In addition, the Audit and Compliance Committee was informed four times of the most relevant events of the Risk function, as well as the main risks of the company.

Also, during 2024, and at the request of the Executive Committee, a process of updating the risk management methodology was initiated. At year-end 2024, the updating process has not been completed.

The objectives of updating the methodology are, on the one hand, to adapt it to ITP Aero Group's new circumstances, as organisational changes have taken place in the last two years and the company has experienced growth in its financial metrics, which has made it necessary to update the financial impact thresholds and, on the other hand, to ensure that the high-level risk review focuses on risks with a material impact on the company. These changes make the methodology simpler and more effective.

To update the methodology, the recommendations issued by the consultancy firm KPMG at the conclusion of a project carried out throughout the year were taken into account, the objective of which was to identify ITP Aero Group's gaps with respect to three standards: legal/regulatory requirements, comparison with similar companies in the market (Benchmark) and "Best in class company", in different areas of ITP Aero Group, including risk management, and in those areas where a gap was identified, KPMG issued a recommendation.

5.5.2. Main Non-Financial Risks:

Below are the main non-financial risks identified by the ITP Aero Group and the most relevant mitigation plans. Overall, the risks described below are adequately mitigated, thanks to progress in action plans and controls in place.

- **Risks related to technical aspects.**

These are structural risks, derived from the sector in which the ITP Aero Group operates and its activity, both of which have a high technological level.

MAIN RISKS	MITIGATION PLANS
Risks derived from technical incidents in the programmes in which the ITP Aero Group participates.	Contract protection and monitoring of programme milestones together with the partner. Development of alternative manufacturing methodologies.
Climate change and decarbonisation: Risks related to the development of alternative technologies to combustion engines or generating capacity to meet the challenge of decarbonising aviation, in which ITP Aero Group is not involved.	R&D projects focused on disruptive technologies, hydrogen and electricity (Prelude, Aperturas, Cripicom, PRESCOR, PROPELINA) have been launched. The product strategy is being established in “Adjacent Markets-Green Aviation” as part of the development of the company’s value creation plan.

- **Risks related to ITP Aero Group’s operations.**

MAIN RISKS	MITIGATION PLANS
Delivery delay risk in civil programmes, due to internal production operations or supply chain constraints; delivery delay, lack of capacity, single sourcing, etc.	Ongoing mitigation plan based on the search for supply alternatives, stable medium- to long-term agreements with suppliers, redefinition of the "make or buy" strategy, generation of security buffers for critical materials, etc.
Risks related to the fulfilment of the initial assumptions in the Aftermarket business; need for further repair activities, such as non-fulfilment of cash generation assumptions, included in the business plans.	Monthly review of assumptions included in aftermarket models and close contact with engine manufacturers to review repair plans.

- **Risks related to the environment in which the ITP Aero Group operates.**

MAIN RISKS	MITIGATION PLANS
Risks related to a changing and increasingly demanding regulatory environment.	Continuous liaison with specialists and reinforcement of the Legal and Compliance team.
Risk of cyberattack with impact on major corporate information systems, which may result in leak or loss of key information.	As a continuation of the previous plan, the Security Plan is in place for the period 2022-2026, which includes 20 projects with technical and organizational measures. In addition, in 2023, an insurance policy was contracted to cover the risk of cyberattack.
Risks arising from ITP Aero Group’s geopolitical environment, with impact on the supply chain, restrictions on export licences and on the number of flight hours of the engines in which ITP Aero Group is involved in the risk-benefit contract mode	Search for dual sourcing, generating security buffers, reducing ITP Aero Group’s exposure to countries/ conflict zones and long-term agreements with suppliers.
Information security risks.	An external audit is carried out annually, the most recent one had no relevant findings and this year ITP Aero Group was certified to ISO 27001 - Information Security.

In addition to the above, the following milestones occurred during 2024:

- **Improvements in Risk Management:**
  - Expanded the scope of the risk management process to cover the perimeter of the ITP Aero Group, in particular with the acquisition of BP Aero.
  - Provided risk training to relevant employees at the sites in India (Hyderabad), Baracaldo and Sestao in Spain and Querétaro in Mexico.
  - A dedicated supply chain risk map, previously integrated in Operations, has been created.
  - The risk map of the MRO BU is being adapted, as due to the creation of the MRO Business Unit, a single risk map will be generated including the operational risks of MRO and MRO's civilian customers.
- **Other highlights of 2024:**
  - General:
    - » During 2024, an organisational change took place, with the appointment of a Group General Counsel (previously this figure did not exist) and the risk management area became part of the Group's organisation.
  - Business Continuity:
    - » A new approach to the management of risks related to Business Continuity has been implemented, assigning a more prominent role to the person in charge of each production centre.
    - » Progress has been made with the implementation of the ISO 22301 methodology for business continuity, monitoring the scenarios of unavailability of assets and critical resources at the Zamudio, Ajalvir, Derio, Baracaldo, Sestao and Hucknall centres, having completed the Disaster Recovery Plans (DRPs) of the MRO area of the Ajalvir centre.
  - Risks:
    - » Following the crisis management procedure, monitoring continued on geopolitical conflicts with potential impact on ITP Aero Group, such as the conflict between Russia and Ukraine and the conflict in the Middle East. The main impact for ITP Aero Group is on the supply chain and export licensing restrictions for defence programmes. Additionally, an analysis has been made of the potential impact of the outcome of the US elections, with a focus on the tariff policy of the new government elected in the elections.
    - » An insurance policy was taken out at the end of 2023 to cover the risk of cyberattack and this year, at the request of the Audit and Compliance Committee, an analysis was carried out together with WTW on the adequacy of the limit of coverage of this policy (currently €10M).
    - » In February 2024, an insurance policy was taken out to cover the risk of crimes committed by employees such as fraud or theft.
    - » During the year 2024, with the help of an external consultant, an improvement of the Internal Control over Financial Reporting System (ICFR) was implemented. This project has been of great help in improving the documentation of the relevant processes in financial reporting and ensuring that the risks and internal controls identified in the process are adequate.

5.6. FISCAL TRANSPARENCY

The ITP Aero Group pays special attention to compliance with its tax obligations in accordance with the applicable regulations of each of the countries in which it is present.

The following tables break down the profits and corporate taxes paid in each of the countries in which the ITP Aero Group has a presence, according to the ITP Aero Group perimeter in recent years.

PROFITS CONTRIBUTED TO THE CONSOLIDATED (THOUSANDS €) [1]			
	2022 [2]	2023 [3,4]	2024 [3]
Spain	93,551	43,480	144,272
Mexico	5,530	5,708	6,816
United Kingdom	-12,591	-22,005	-16,788
USA	-4	10	-3,359
Malta	592	964	1,247
India	600	1,047	1,090
Total	**87,678**	**29,203**	**133,278**

[1] Results before taxes: Earnings Before Tax (EBT).
[2] Information corresponding to the perimeter of ITP Aero.
[3] Information corresponding to the perimeter of ITP Aero Group.
[4] The 2023 pre-tax results include 46 million euros of amortisation expenses of assets revalued by the allocation of the Information corresponding to the perimeter of ITP Aero purchase price of the acquisition of the ITP Aero Group (PPA), 37 million euros of start-up costs of transformation projects of the Group towards the highest standards in the market and 50 million euros of interest expenses on acquisition debt, as mentioned in the management report of the Bain Propulsión Bidco SL group and subsidiaries.

TAXES PAID ON PROFITS (THOUSANDS €)			
	2022 [1]	2023 [2]	2024 [2]
Spain	1,281	6,759	6,395 [3]
Mexico	1,497	1,891	1,824
United Kingdom	0	0	0
USA	0	0	564
Malta	-206	-146	335
India	141	427	242
Total	**2,715**	**8,931**	**9,361**

[1] Information corresponding to the perimeter of ITP Aero.
[2] Information corresponding to the perimeter of ITP Aero Group.
[3] It is worth noting that while the pre-tax profits reflected in this report refer to the 2024 financial year, the taxes paid in 2024 relate to the 2023 profits, given that the tax return is made in July of the following year and the instalment payment is based on the taxable base of the previous year.

5.7. TRANSPARENCY WITH STAKEHOLDERS

The ITP Aero Group develops a responsible and sustainable business model and places its stakeholders at the heart of its strategy. The aeronautical sector is facing a stage of transformation and great technological challenges, in which greater interaction is necessary between all agents of change. As one of these agents, the ITP Aero Group is transparent about the role it plays in the sustainable development of society and the economy and, therefore, builds trusted relationships with its main stakeholders and maintains a constructive and open dialogue with them, essential for the success of the Group.

5.7.1. ITP Aero Group's main stakeholders

The main stakeholders for the ITP Aero Group are shareholders, clients, employees, public administrations, business associations, society, universities and technology centres, suppliers, unions and subcontracted personnel. Likewise, the ITP Aero Group is in continuous dialogue with the media, consortia, companies in the environment and aviation safety agencies.

In order to evaluate the relevance for the stakeholders of the different elements related to ESG, the Group launched a survey among them, resulting in the priorities detailed below.

STAKEHOLDERS	MAIN PRIORITIES
Shareholder	• Climate change • Product innovation • Product safety • Human rights • Diversity, equity and inclusion • Skills for the future • Integrity and compliance
Customer	• Product safety • Human rights • Well-being and safety of employees • Risk management • Diversity, equity and inclusion • Integrity and compliance • Data protection and cybersecurity
Employee	• Well-being and safety of employees • Human rights • Product safety • Pollution and waste • Diversity, equity and inclusion • Skills for the future • Climate change • Integrity and compliance • Circular economy
Public administration, professional associations and society	• Climate change • Pollution and waste • Well-being and safety of employees • Human rights • Circular economy • Integrity and compliance

STAKEHOLDERS	MAIN PRIORITIES
Universities and technology centres	• Pollution and waste • Product safety • Well-being and safety of employees • Human rights • Diversity, equity and inclusion • Skills for the future • Risk management
Suppliers	• Human rights • Product safety • Well-being and safety of employees • Integrity and compliance • Diversity, equity and inclusion • Skills for the future • Pollution and waste • Corporate governance
Unions	• Human rights • Well-being and safety of employees • Product safety • Pollution and waste • Diversity, equity and inclusion • Integrity and compliance • Risk management
Contractors	• Product safety • Human rights • Diversity, equity and inclusion • Well-being and safety of employees • Risk management • Skills for the future • Pollution and waste

5.7.2. Dialogue with stakeholders:

In 2024, the key topics of communication with different stakeholders were related to the Group's growth milestones, the R&D projects it is leading, the different ESG initiatives the company is working on, its commitment to DE&I (Diversity, Equity & Inclusion), as well as its role as leader of the FCAS engine pillar and those related to the use of sustainable aviation fuels (SAF).

Likewise, the ITP Aero Group has shared information with stakeholders on social issues; human capital of its employees, its quality as an employer or actions aimed at inspiring new generations in STEM subjects.

Communication with stakeholders is carried out through different channels and platforms and is maintained regularly according to the need for communication and/or information. 2024 was a year in which the ITP Aero Group strengthened its profile as a leading company in the aeronautics/technology sector, through actions with technological, aeronautical or general media, participation in forums and awards on sustainability and people.

6. TABLE OF NON-FINANCIAL INDICATORS

STAFF DISTRIBUTION BY GENDER, AGE, COUNTRY AND PROFESSIONAL CLASSIFICATION AT YEAR-END

BY GENDER	2022	2023	2024	Delta
Women	788	908	1,054	16%
Men	3,705	4,009	4,635	13%
Total	**4,493**	**5,007**	**5,689**	**14%**

BY AGE	2022	2023	2024	Delta
<30	564	783	1,038	33%
>=30<=50	2,824	3,009	3,228	7%
>50	1,105	1,215	1,423	17%
Total	**4,493**	**5,007**	**5,689**	**14%**

BY CATEGORY	2022	2023	2024	Delta
Executives	157	164	173	4%
Managers	536	575	612	7%
Technicians	1,427	1,625	1,780	14%
Personnel covered by Collective Agreements	2,373	2,643	3,124	11%
Total	**4,493**	**5,007**	**5,689**	**11%**

BY COUNTRY	2022	2023	2024	Delta
Spain	2,844	3,220	3,483	8%
Mexico	726	875	1,062	21%
United Kingdom	859	847	837	-1%
Malta	36	37	33	-11%
India	28	28	31	11%
USA	0	0	243	-
Total	**4,493**	**5,007**	**5,689**	**14%**

DISTRIBUTION OF TYPES OF EMPLOYMENT CONTRACTS OF STAFF AT THE END OF THE YEAR

TYPE OF CONTRACT	2022	2023	2024	Delta
Indefinite full-time	4,175	4,569	5,287	16%
Indefinite part-time	18	47	56	19%
Temporary full time	270	374	333	-11%
Temporary part-time	30	17	13	-24%
Total	**4,493**	**5,007**	**5,689**	**14%**

ANNUAL AVERAGE OF DIFFERENT CONTRACT MODELS

The calculation of the contract averages for the 2023 fiscal year has been carried out using two variables: workforce at the end of 2023 and workforce at the end of 2024.

By gender

2022	Indefinite full-time	Indefinite part-time	Temporary full-time	Temporary part-time
Women	703	10	28	2
Men	3,152	11	156	37

2023	Indefinite full-time	Indefinite part-time	Temporary full-time	Temporary part-time
Women	784	16	44	1
Men	3,557	20	279	22

2024	Indefinite full-time	Indefinite part-time	Temporary full-time	Temporary part-time
Women	909	19	54	0
Men	4,019	33	300	15

By category

2022	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
Executives	23	127	0	1	0	0	0	0
Managers	122	375	0	1	1	1	0	4
Technicians	291	1,209	6	5	15	72	1	15
Personnel covered by Collective Agreements	267	1,443	5	5	12	83	1	18

2023	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
Executives	23	127	0	1	0	0	0	0
Managers	122	375	0	1	1	1	0	4
Technicians	291	1,209	6	5	15	72	1	15
Personnel covered by Collective Agreements	267	1,443	5	5	12	83	1	18

2024	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
Executives	23	127	0	1	0	0	0	0
Managers	122	375	0	1	1	1	0	4
Technicians	291	1,209	6	5	15	72	1	15
Personnel covered by Collective Agreements	267	1,443	5	5	12	83	1	18

By age

2022	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
<30	61	292	2	0	20	95	1	0
>=30<=50	511	2,102	5	6	7	54	0	0
>50	130	758	3	5	0	7	1	37

2023	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
<30	85	375	2	2	29	172	0	0
>=30<=50	538	2,270	10	8	15	100	0	0
>50	161	912	4	11	1	7	1	22

2024	Indefinite full-time		Indefinite part-time		Temporary full-time		Temporary part-time	
	W	M	W	M	W	M	W	M
<30	131	565	2	3	30	181	0	0
>=30<=50	571	2389	12	10	23	115	0	0
>50	208	1066	5	21	2	5	0	15

DISMISSALS

By gender

	2022	2023	2024	Delta
Women	3	7	6	14%
Men	17	18	47	161%
Total	**4,493**	**5,007**	**5,689**	**14%**

By category

	2022	2023	2024	Delta
Executives	5	1	1	0%
Managers	4	8	2	-75%
Technicians	4	6	10	67%
Personnel covered by Collective Agreements	7	10	40	300%
Total	**20**	**25**	**53**	**112%**

By category

	2022	2023	2024	Delta
<30	1	2	21	950%
>=30<=50	9	17	23	35%
>50	10	6	9	50%
Total	**20**	**25**	**53**	**112%**

AVERAGE REMUNERATION FOR THE FISCAL YEAR 2024, BROKEN DOWN BY AGE, PROFESSIONAL CATEGORY AND GENDER.

For the calculation of the average remuneration, the workforce as of 31 December of the audited fiscal year is considered. The annual remuneration (including seniority; remuneration in kind and bonuses) and variable remuneration actually paid in the year 2024 are considered as the base. The values in the tables below are the result of equating the remuneration actually paid, extrapolating the situations of reduced working hours and provision of services of less than one year, allowing for a homogeneous comparison.

By gender

Average salary by gender (thousands of €)	2022[1]	2023	2024	Delta
Women	44.6	46.3	46.5	1%
Men	47.8	49.8	52.1	5%
Gap	**7%**	**7%**	**11%**	**53%**

[1] A correction to the pay gap reported in 2022 fiscal year has been included, as a mathematical error in its calculation was identified during the preparation of the 2023 fiscal year. The error detected is related to the application of the Euro-Pound exchange rates. The main difference between 2021 fiscal year and the corrected 2022 fiscal year is due to the inclusion of ITP Aero UK.

By age

Average salary by age (thousands of €)	2022[1]	2023	2024	Delta
<30	31.5	33.7	35.5	5%
>=30<=50	45.8	47.5	50.2	6%
>50	59.1	63.3	66.7	5%

[1] A correction to the information reported for the 2022 fiscal year has been included, as a mathematical error in the calculation was identified during the preparation of the information for the 2023 fiscal year. The error detected is related to the application of the Euro-Pound exchange rates.

By category

Average salary by category (thousands of €)	2022[1]	2023	2024	Delta
Executives	123	135.3	144.1	7%
Managers	61.3	66.7	70.3	5%
Technicians	46.4	48.4	49.9	3%
Personnel covered by Collective Agreements	39.6	40.6	42.9	6%

[1] A correction to the information reported for the 2022 fiscal year has been included, as a mathematical error in the calculation was identified during the preparation of the information for the 2023 fiscal year. The error detected is related to the application of the Euro-Pound exchange rates.

By category

Executives (thousands of €)	2022[1]	2023	2024	Delta
Women	120,8	128,2	134,6	5%
Men	123,5	136,7	146,1	7%

[1] A correction to the information reported for the 2022 fiscal year has been included, as a mathematical error in the calculation was identified during the preparation of the information for the 2023 fiscal year. The error detected is related to the application of the Euro-Pound exchange rates.

Average remuneration of Board members

Average salary by age (thousands of €)	2022[1]	2023	2024	Delta
Average remuneration of Bain Propulsion Bidco S.L.	NA	0	0	0%

[1] The ESG Report 2022 was of the company ITP SAU, but from 2023 onwards when it was acquired by Bain Propulsión Bidco S.L., in the ESG report the remuneration of the BIDCO Board is reported, therefore in 2022 it does not apply.

Absenteeism

Absenteeism	2022	2023	2024	Delta
Hours	453.132	491.511	594.378	21%
Percentage of Theoretical Hours	5.97%	5.87%	6.21%	6%

Number of employees with reduced working hours

Reductions	2022	2023	2024	Delta
Women	93	93	98	5%
Men	121	122	132	8%
Total	**214**	**215**	**230**	**7%**

HOURS OF TRAINING BROKEN DOWN BY PROFESSIONAL CATEGORY

(Annual average per worker; 51 hours/year)

	2022	2023	2024	Delta
Executives	3,201	2,673	1,934	-28%
Managers	14,281	12,115	11,463	-5%
Technicians	42,129	54,685	46,621	-15%
Personnel covered by Collective Agreements	117,096	164,997	231,983	41%
Total	**176,708**	**234,470**	**292,002**	**25%**

PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS BY COUNTRY

Employees covered by collective agreement	2022	2023	2024
Spain	95%	96%	96%
Mexico	49%	52%	57%
United Kingdom	92%	91%	91%
Malta	100%	97%	97%
India	96%	96%	97%
USA	NA	NA	100%
Total	**87%**	**87%**	**88%**

7. TABLE OF GRI INDICATORS

Index of contents required by Law 11/2018, of 28 December, which amends the Commercial Code, the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the Auditing of Accounts, concerning non-financial information and diversity.

General areas

	AREAS	REPORTING FRAMEWORK	SECTION
Business model	Description of the Group business model, including: • Business environment • Organisation and structure • Markets in which it operates • Objectives and strategies • Main factors and trends that can affect future developments	GRI 2-1 Company Details GRI 2-6 Activities, value chain and other relationships GRI 2-22 Statement on Sustainable Development Strategy	1.1 1.2 1.3 1.4 1.5 2.1
Policies and Policy Outcomes	A description of the policies applied by the group as well as the results of those policies, including relevant non-financial key performance indicators	3-3 Management Approach for each area	These are detailed in each of the sections of this report, under the topic covered
Risks in the short, medium or long term	The main risks associated with these issues linked to the group's activities, including, where relevant and proportionate, its business relationships, products or services that may have an adverse impact on these areas.	3-3 Management Approach for each area	5.5

Environmental issues

AREAS		REPORTING FRAMEWORK	SECTION
Global Environment	Current and foreseeable effects of the company's activities	GRI 3-3 Management of material issues GRI 2-23 Policy Commitments	3.2.1
	Environmental assessment or certification procedures		3.2.1
	Resources dedicated to the prevention of environmental risks		3.2.1
	Application of the precautionary principle		3.2.1
	Amount of provisions and guarantees for environmental risks		3.2.1
Pollution	Measures to prevent, reduce or mitigate carbon emissions that seriously affect the environment; taking into account any form of activity-specific air pollution, including noise and light pollution.	GRI 3- 3: Management Approach: Emissions / Biodiversity	3.1.1 3.2.1 3.2.2
Circular economy and waste prevention and management	Circular economy	GRI 3-3: Management approach to effluents and waste / Circular Economy	3.2.1 3.2.2
	Waste: waste prevention measures, recycling, reuse, other forms of waste recovery and disposal	GRI 3-3: Management approach to effluents and waste / Circular Economy GRI 306-2 Waste by type and method of disposal	3.2.1 3.2.2
	Actions to combat food waste	GRI 3-3: Management approach to effluents and waste / Circular Economy	Food waste is not relevant for the ITP Aero Group due to its sector of activity.
Sustainable use of resources	Water consumption and water supply according to local constraints	GRI 303-3 Water extraction	3.2.1 3.2.2
	Consumption of raw materials and measures taken to improve the efficiency of their use	GRI 3-3: Management approach to materials GRI 301-1 Materials used by weight or volume	3.2.1 3.2.2
	Direct and indirect energy consumption Measures taken to improve energy efficiency and the use of renewable energy.	GRI 3-3: Management approach to energy GRI 302-1 Energy consumption within the organisation	3.1.1
Climate change	Important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces;	GRI 3-3: Management approach to emissions GRI 305-1 Direct GHG Emissions (Scope 1) GRI 305-2 Indirect GHG Emissions When Generating Energy (Scope 2)	3.1.1 3.1.2
	Measures taken to adapt to the consequences of climate change	GRI 3-3: Management approach to emissions	2.1 3.1.1 3.1.2
	Voluntarily established reduction targets	GRI 3-3: Management approach to emissions	2.1 3.1.1 3.1.2
Protection of biodiversity	Measures taken to preserve or restore biodiversity	GRI 3-3: Management approach to biodiversity GRI 304-2 Significant impacts of activities, products and services on biodiversity	3.2.2
	Impacts caused by activities or operations in protected areas		

Social and staff issues

	AREAS	REPORTING FRAMEWORK	SECTION
Employment	Total number and distribution of employees by sex, age, country and professional category	GRI 3-3: Management approach to employment GRI 2-7 Employees GRI 405-1 Diversity in governing bodies and employees	4.1.2 6
	Total number and distribution of types of employment contracts		4.1.4 6
	Annual average number of permanent, temporary and part-time contracts by gender, age and professional category	GRI 2-7 Employees GRI 405-1 Diversity in governing bodies and employees	4.1.4 6
	Number of dismissals by gender, age and professional category	GRI 401-1: New employee recruitment and turnover	4.1.1 6
	Average remuneration by gender, age and professional category	GRI 405-2: Ratio of basic salary and remuneration of women vs. men	4.1 6
	Wage gap, the remuneration for equal positions or the societal average	GRI 3-3: Management approach to employment	4.1.2 6
	The average remuneration of directors and executives broken down by gender	GRI 405-2: Ratio of basic salary and remuneration of women vs. men	4.4.1 6
	Implementation of work disengagement policies	GRI 3-3: Management approach to employment	4.1.4
	Employees with disabilities	GRI 3-3: Management approach to employment	4.4.1 6
Organisation of work	Organisation of working time	GRI 3-3: Management approach to employment	4.1.4
	Number of hours of absenteeism	GRI 3-3: Occupational Health and Safety	6
	Measures aimed at facilitating the enjoyment of work-life balance and encouraging the shared responsibility of both parents.	GRI 3-3: Management approach to employment	4.1.4 4.4.1
Health and safety	Health and safety conditions at work	GRI 3-3: Management approach to employment	4.2
	Number of accidents at work and occupational diseases by gender, frequency and severity rate by gender	GRI 3-3: Occupational Health and Safety	4.2 6

AREAS		REPORTING FRAMEWORK	SECTION
Social relations	Organisation of social dialogue	GRI 3-3: Management approach to company-employee relations	4.5
	Percentage of employees covered by collective agreements by country	GRI 2-30 Collective agreements	4.1.4 6
	Review of collective agreements, particularly in the field of occupational health and safety	GRI 403-4 Employee involvement, consultations and communication on occupational health and safety	4.2
	Mechanisms and procedures that the company has in place to promote the involvement of workers in the management of the company, in terms of information, consultation and participation.	GRI 3-3: Management approach to company-employee relations	4.5
Training	Policies implemented in the area of training	GRI 3-3: Management approach to training and education	4.3.3
	Total number of training hours per professional category.	GRI 404-1 Average hours of training per employee per year	6
Universal accessibility for people with disabilities		GRI 3-3: Management approach to diversity, equal opportunities, and non-discrimination	4.1
Equality	Measures taken to promote equal treatment and opportunities for women and men	GRI 3-3: Management approach to diversity, equal opportunities, and non-discrimination	4.3.2 4.4.1
	Equality plans: measures taken to promote employment, protocols against gender-based harassment and sexual harassment		4.1
	Policy against all forms of discrimination and, where appropriate, diversity management		4.4.1

Information on respect for human rights

AREAS	REPORTING FRAMEWORK	SECTION
Implementation of due diligence procedures regarding human rights Prevention of the risks of human rights violations and, where appropriate, measures to mitigate, manage and redress possible abuses committed	GRI 3-3: Management approach to human rights assessment + freedom of association and collective bargaining + child labour+ forced or compulsory labour GRI 2-23 Policy Commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 412-2 Employee training on human rights policies or procedures	2.1 4.1 4.2 4.3 4.4 5.2 5.3
Reports of human rights violations	GRI 406-1 Cases of discrimination and corrective actions taken	5.2
Promotion and enforcement of the provisions of the ILO core conventions relating to respect for freedom of association and the right to collective bargaining, the elimination of discrimination in employment and occupation, the elimination of forced or compulsory labour and the effective abolition of child labour	GRI 3-3: Management approach to non-discrimination GRI 406-1 Cases of discrimination and corrective actions taken GRI 407-1 Operations and suppliers whose right to freedom of association and collective bargaining could be at risk GRI 408-1 Operations and suppliers at significant risk for child labour GRI 409-1 Operations and suppliers at significant risk for cases of forced or compulsory labour	2.1 4.1 4.2 4.3 4.4 5.2 5.3

Information relating to the fight against corruption and bribery

AREAS	REPORTING FRAMEWORK	SECTION
Measures taken to prevent corruption and bribery	GRI 3- 3 Management approach to anti-corruption GRI 2-23 Policy Commitments GRI 2-26 Mechanisms for seeking advice and raising concerns GRI 205-2 Communication and training on anti-corruption policies and procedures	2.1 5.2
Measures to combat money laundering	GRI 205-2 Communication and training on anti-corruption policies and procedures	2.1 5.2
Contributions to non-profit foundations and entities	GRI 413-1: Operations involving the local community, impact assessments and development programmes	4.7 6

Company information

AREAS		REPORTING FRAMEWORK	SECTION
Company commitment to sustainable development	Impact of the company's activity on employment and local development	GRI 3-3: Management approach to local communities + indirect economic impacts GRI 203-2 Significant indirect economic impacts GRI 2-29 Approach to stakeholder engagement GRI 413-1 Operations involving the local community, impact assessments and development programmes	2.12.1 4.5 4.7 5.3 6
	Impact of the company's activity on local populations and the territory		1 2.1 4.5 5.3 5.6
	Relationships maintained with local community stakeholders and methods of dialogue with them		4.5 5.7
	Association or sponsorship actions.		3.1.3 4.4.1 6
Subcon-tracting and suppliers	Inclusion of social, gender equality and environmental issues in the purchasing policy	GRI 3- 3 Management approach to purchasing practices GRI 2-6 Activities, value chain and other business relationships GRI 308-1 New suppliers that have passed the assessment and selection filters according to environmental criteria GRI 414-1 New suppliers who have passed selection filters according to social criteria	2.1 4.3.2 5.3 6
	Consideration in relations with suppliers and subcontractors of their social and environmental responsibility		2.1 5.3 6
	Monitoring systems and audits and results of these		2.1 5.3 6
Consumers	Consumer health and safety measures	GRI 3-3: Management approach to Customer health and safety + Marketing and labelling + Customer privacy	2.1 4.4 6
	Complaints systems		4.6.3 6
	Complaints received and resolution of these		4.6.2 6
Tax information	Country-by-country profits	GRI 207-4: Country-by-country reporting	5.6 6
	Tax paid on profits	GRI 207-4: Country-by-country reporting	5.6 6
	Public subsidies received	GRI 201-4 Financial assistance received from the government	3.1.3 6

8. GLOBAL IMPACT / SDGS TABLE

THEME	GLOBAL COMPACT PRINCIPLES	SECTION		RELATED SDGS
Social relations	Principle 1. Businesses should support and respect the **protection** of universally recognised **human rights.**	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance 5.3 Our supply chain	• SDG 1: Ending poverty • SDG 3: Health and well-being • SDG 4: Quality education • SDG 5: Gender equality • SDG 8: Decent work and economic growth • SDG 10: Reducing inequalities • SDG 16: Peace, justice and solid institutions • SDG 17: Alliances to achieve objectives
	Principle 2. Businesses should make sure that they are not **complicit in violations of human rights.**	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance 5.3 Our supply chain	
Labour Standards	Principle 3. Businesses should uphold the **freedom of association** and the effective recognition of the right to collective bargaining.	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance	• SDG 1: Ending poverty • SDG 3: Health and well-being • SDG 8: Decent work and economic growth • SDG 5: Gender equality • SDG 10: Reducing inequalities • SDG 16: Peace, justice and solid institutions • SDG 17: Alliances to achieve objectives
	Principle 4. Businesses should support the **elimination of all forms of forced labour** carried out under coercion.	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance 5.3 Our supply chain	
	Principle 5. Businesses should support the **elimination of child labour.**	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance 5.3 Our supply chain	
	Principle 6. Businesses should support the abolition of **discrimination in employment and occupation.**	2. ESG Commitment 4.1 Our people - Workplace 4.2 Health and Safety 4.3 Culture and talent development	4.4 Diversity, Equity and Inclusion 4.5 Labour Relations 5.2 Ethics and Compliance 5.3 Our supply chain	
Environment	Principle 7. Businesses should maintain a **precautionary approach to environmental challenges.**	2. ESG Commitment 3.1 The challenge of decarbonisation and innovation	3.2 Reducing the environmental footprint of our operations 5.3 Our Supply Chain 5.5 Non-financial risk management system	• SDG 3: Health and well-being • SDG 4: Quality education • SDG 6: Clean water and sanitation • SDG 7: Affordable and clean energy • SDG 8: Decent work and economic growth • SDG 9: Industry, innovation and infrastructure • SDG 10: Reducing inequalities • SDG 12: Responsible production and consumption • SDG 13: Climate action • SDG 16: Peace, justice and solid institutions • SDG 17: Alliances to achieve objectives
	Principle 8. Businesses should encourage **initiatives that promote greater environmental responsibility.**	2. ESG Commitment 3.1 The challenge of decarbonisation and innovation	3.2 Reducing the environmental footprint of our operations 5.3 Our Supply Chain	
	Principle 9. Businesses should encourage the **development and diffusion of environmentally friendly technologies.**	2. ESG Commitment	3.1 The challenge of decarbonisation and innovation	
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	2. ESG Commitment 5.2 Ethics and compliance	5.3 Our Supply Chain	• SDG 10: Reducing inequalities • SDG 16: Peace, justice and solid institutions • SDG 17: Alliances to achieve objectives

And in witness whereof, for the purposes of the timely formulation of this report by the Board of Directors of the company **Bain Propulsion Bidco, S.L.** in accordance with Law 11/2018 of 28 December 2018, this report is issued in duplicate, signed by all the members of the management body in ..... on ..... 2025.

Ivano Sessa **Member**	Davide Vidotto **Member**
Enrique Hernández Vitón **Member**	Enrique Parra Arce **Member**

ITP AERO