



TRANSDIGM
GROUP INC.

STAKEHOLDER REPORT 2023

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Letter From Our President and CEO

Dear Readers,

I want to thank you for your continued confidence and support of TransDigm (“the Company”). We had an outstanding 2023 and have much to celebrate, ranging from our operational and financial performance to continued refinements in our environmental, social and governance (“ESG”) programs and initiatives.

TransDigm’s long-standing goal is to create long-term, sustainable value for our stakeholders through our consistent operating strategy of owning and operating proprietary aerospace businesses with significant aftermarket content. Our disciplined, well-proven operating strategy provides stability through all phases of the aerospace cycle. With a focus on quality products and customer service, our 48 operating units continue to create frontline value generation for TransDigm.

We delivered record results in fiscal 2023 driven by our competitive strengths, execution of our value-driven operating strategy and continued recovery of the commercial aerospace markets. Throughout 2023, we remained focused on our value drivers, cost structure and operational excellence. I am very proud of our hard work, discipline and execution over the course of the past year. Our accomplishments in 2023 are testaments to our team’s unwavering commitment to driving value and focusing on our strategic approach.

Our team of approximately 16,000 employees is our most valuable asset. These employees have consistently delivered innovative, highly-engineered products with unwavering commitment to quality and safety, even during unpredictable and challenging times. We understand that our success is intrinsically linked to their dedication and expertise. We are resolutely committed to fostering their growth and development, keeping them safe and providing a work environment that makes them feel heard, valued and respected.

In addition to our operational achievements, we have made strides in our ESG initiatives. We remain steadfast in our belief that financial success is compatible with sustainable and responsible operations. In pursuit of this belief, we continue to find new and innovative ways to reduce our environmental impact, increase diversity and inclusion in our workforce and strengthen our ties with the many communities in which we operate. We are proud to have continued to expand our Doug Peacock Scholarship Program and other philanthropic initiatives with our community partners.

As always, in 2023, we maintained our focus on strong corporate governance and ethical business practices, believing that they form the foundation of any successful and responsible business. Additionally, data and information security continued to be a priority for TransDigm in 2023. Our comprehensive cybersecurity program evolves annually to meet the latest security standards and threats.

Creating a more diverse workforce also remained a priority for TransDigm in 2023, and we continue to make progress. For example, the diversity of our Board of Directors (“Board”) has improved, with 40% identifying as female or racially or ethnically diverse in 2023 compared to 27% in 2022. We are also committed to diversity across the Company.

At both the corporate and operating unit levels, community impact is important to TransDigm. In 2023, we proudly opened the TransDigm Group Learning Center at the Great Lakes Science Center (“GLSC”), providing underprivileged youth in Cleveland, Ohio, and in neighboring areas, with a state-of-the-art hub that features advanced classrooms for experiments, engineering challenges and laboratory workshops. This initiative underscores our dedication to fostering future leaders in science, technology, engineering and mathematics (“STEM”), showcasing our commitment to both educational excellence and meaningful community engagement.

We have maintained our proactive approach to environmental concerns and the enhancement of sustainability initiatives across our operating units. Progressing toward our goal to reduce absolute Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions by at least 50% by 2031, we achieved a 6% reduction in fiscal year 2023 compared to our 2019 baseline. We remain steadfast in our commitment to reducing our environmental impact and will continue to prioritize sustainable practices as an integral part of our ongoing efforts.

Looking ahead, we are optimistic that the prevailing, favorable conditions for the commercial aerospace market will continue to evolve throughout 2024. Despite the challenges brought on by the COVID-19 pandemic and the ongoing turbulence across global economies, we remain hopeful that the growth witnessed in 2023 will continue in 2024 and beyond. TransDigm’s 2023 journey has been defined by resilience and adaptability, reflecting our ability to navigate challenges and embrace opportunities. Our operational, financial and ESG achievements this year are reflections of our collective commitment to our consistent operating strategy, innovation and continuous improvement. As we move into 2024, we do so with confidence, guided by a clear vision, a well-proven strategy and a resolute commitment to making a positive impact in the communities in which we operate.

I would like to extend my gratitude to our dedicated team, to our partners and to you, our esteemed stakeholders, for your trust and support. We look forward to your support in 2024, as we continue to deliver world-class products to our customers and strive relentlessly to create long-term value for all our stakeholders.



Kevin Stein
President and CEO

About TransDigm

For 30 years, TransDigm has been a leading global designer, producer and supplier of highly engineered aircraft components that are critical to the safe and effective operation of nearly all commercial and military aircraft worldwide. We employ thousands of Americans in the aerospace and defense industry at our approximately 67 U.S. manufacturing facilities, in addition to thousands of employees at our overseas manufacturing facilities—all of whom help engineer and supply proprietary products that keep the world’s commercial airlines flying and safeguard troops worldwide.

TransDigm’s products are represented in nearly every commercial and military aircraft in service today.

Today, TransDigm is comprised of 48 independent operating units, each functioning autonomously to develop customized products that meet the specific needs of aircraft operators and manufacturers. While each operating unit implements its own specific market strategy, they are all united in their common dedication to delivering reliable, high-quality parts efficiently, on time and with the highest standards.

TransDigm’s portfolio of products encompasses a vast array of essential components that play pivotal roles on commercial aerospace and defense platforms, as well as other products. For example, TransDigm’s operating units make aircraft seatbelts and cockpit security systems that keep passengers

and pilots safe; parachutes that protect soldiers, sailors and airmen; and space telescope equipment that helps the National Aeronautics and Space Administration (NASA) better understand the universe.

TransDigm has a reputation for high-quality, reliable products and strong customer support.

Through our disciplined operating strategy, we drive value creation by targeting profitable new business acquisitions, enhancing productivity, introducing cost efficiencies and providing highly engineered, value-added products to customers. We offer customers best-in-class products that emphasize quality, reliability and safety, which in turn fosters longstanding relationships. We also maintain a selective acquisition strategy, concentrating on proprietary commercial aerospace component businesses with significant aftermarket content, where we see a clear path to value creation. Since the inception of our company in 1993, we have acquired 89 businesses and various product lines. Our steadfast adherence to this strategy has delivered consistent financial performance throughout all phases of the aerospace industry and has provided private equity-like returns with the liquidity of a public market.



TRANSDIGM AT A GLANCE

~15,500

Global Employees

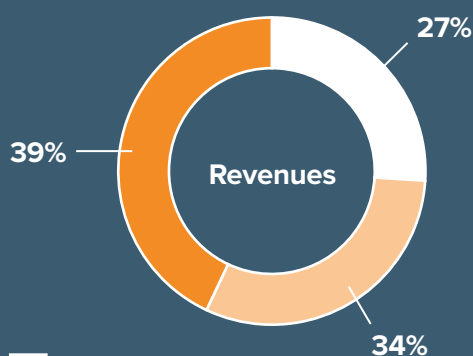
48

Independent Operating Units Around the Globe

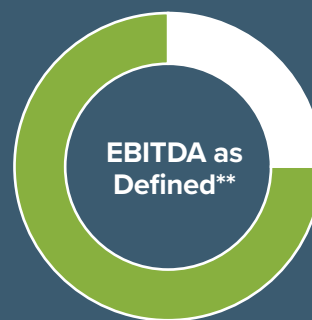
~100

Global Manufacturing Locations

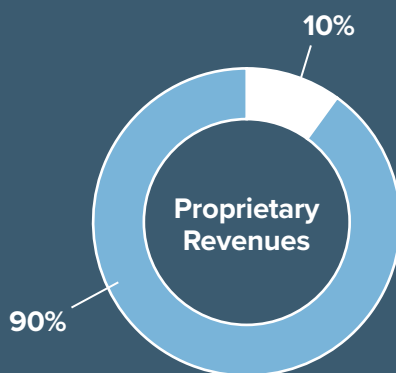
TRANSDIGM BY THE NUMBERS



- Defense
- Commercial Aftermarket
- Commercial OEM*



- Aftermarket
- OEM



- Proprietary Products
- Non-proprietary Products

EXTENSIVE PRESENCE IN NORTH AMERICA WITH DEEP INVESTMENTS IN THE AMERICAN MANUFACTURING BASE

67

U.S. Manufacturing Locations

21

U.S. States

8K+

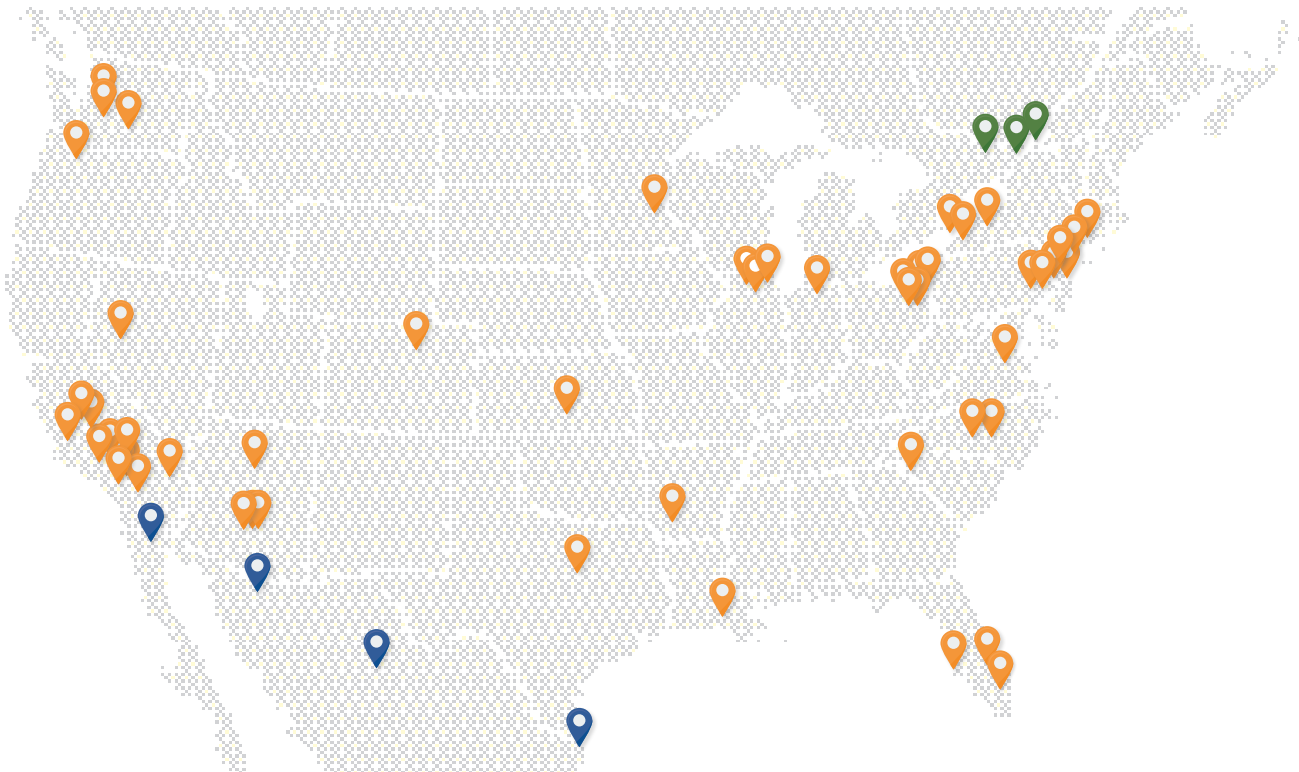
Jobs Supported in the U.S.

*Original equipment manufacturer ("OEM")

**Earnings before interest, taxes, depreciation and amortization ("EBITDA") as Defined is a non-GAAP financial measure. For a presentation of the most directly comparable GAAP measures and a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.

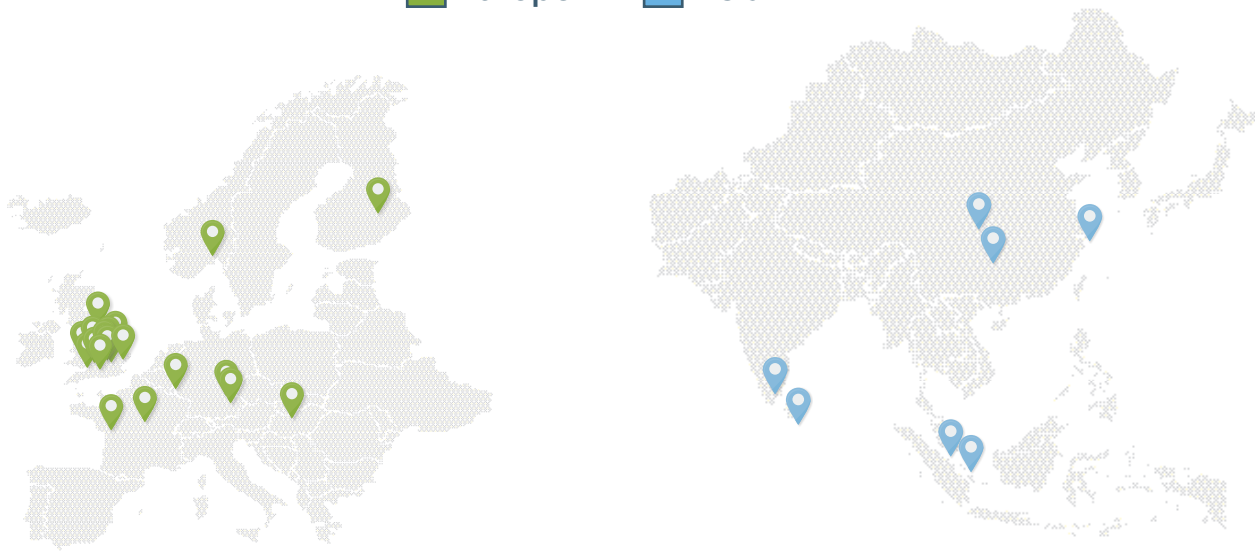
EXTENSIVE PRESENCE IN NORTH AMERICA WITH DEEP INVESTMENTS IN THE AMERICAN MANUFACTURING BASE

U.S. Mexico Canada



BROAD FOOTPRINT IN THE U.S. SUPPLEMENTED BY INTERNATIONAL OPERATING UNITS AND GLOBAL MANUFACTURING LOCATIONS

Europe Asia



PRODUCT OFFERINGS

TransDigm's major offerings include a range of highly-engineered products manufactured by our operating units.



Advanced sensor products



Aircraft, audio, radio and antenna systems



Batteries, chargers and power conditioning systems



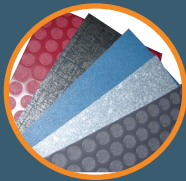
Cargo loading, handling and delivery system



Cockpit security components and systems



Databus and power controls



Engineered and customized interior surfaces and related components



Engineered connectors and elastomer sealing solutions



Engineered latching and locking devices



Engineered rods



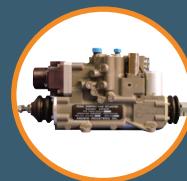
High performance hoists, winches and lifting devices



Ignition systems



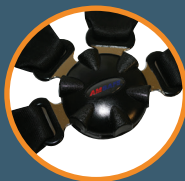
Lighting and control technology



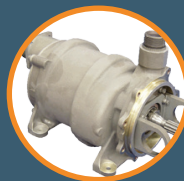
Mechanical/electro-mechanical actuators and controls



Parachutes



Seatbelts and safety restraints



Specialized AC/DC electric motors and generators



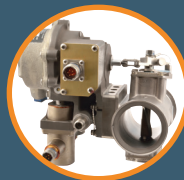
Specialized and advanced cockpit displays



Specialized flight, wind tunnel and jet engine testing services and equipment



Specialized lavatory components



Specialized pumps and valves



Switches and relay panels

2023 Review

Throughout 2023, we continued to see recovery in the commercial aerospace market and further progression towards pre-pandemic levels of global air traffic. Revenue passenger kilometers (“RPKs”), a metric used to measure air traffic demand, steadily improved in 2023, and many aircrafts parked by airlines returned to service. RPKs remained below pre-pandemic levels in 2023 despite a significant recovery from pandemic lows. RPKs were down by approximately 6% in calendar year 2023 as compared to before the COVID-19 pandemic, although that is much improved from the 32% that RPKs were down in 2022.

Airline passenger demand remained robust during 2023. Commercial air travel in domestic markets continued to lead the air traffic recovery, with certain domestic markets achieving or surpassing pre-pandemic air traffic levels. The international air traffic recovery, although still lagging domestic traffic, made great strides in 2023 as indicated by international RPKs. Most countries have now fully reopened to international travelers and there is pent-up demand for long-haul travel. Current industry consensus expects that worldwide RPKs will recover further in 2024 and exceed pre-COVID-19 RPKs.

In 2023, the commercial OEM market also continued to show further signs of recovery, with both Boeing and Airbus increasing aircraft production rates and high demand from airlines for new aircraft. However, the continuation of commercial OEM supply chain challenges impacting Boeing and Airbus constrained the pace of new aircraft manufacturing. Both Boeing and Airbus have disclosed further planned OEM production rate increases for 2024, which is encouraging.

However, 2023 was not without its challenges. Aside from the residual negative effects of the pandemic continuing to impact the commercial aerospace industry, our business also had to navigate a difficult inflationary environment and disruption across the global supply chain and labor markets. Our teams met these challenges head-on and worked to implement mitigating actions to overcome these issues.

As ever, during 2023, we focused on our proven operating strategy and on managing factors that are within our control, including careful management of our cost structure. The strong efforts and accomplishments of our teams during this fiscal year (“FY”) are exceptional. It is what allowed us to continue providing our customers the highest quality products and services and delivering superior operational performance.

Additionally, in 2023, we were pleased to have allocated approximately \$725 million of capital to the acquisition of Calspan Corporation. Calspan is a leading independent provider of highly engineered testing and technology development services and systems primarily for the aerospace and defense industry. Prior to the end of FY 2023, we announced a \$2.0 billion return of capital to our shareholders via a special dividend of \$35.00 per share and that we entered into a definitive agreement to acquire the Electron Device Business of Communication & Power Industries (“CPI”) for approximately \$1.385 billion in cash. CPI’s

Electron Device Business is a leading global manufacturer of electronic components and subsystems primarily serving the aerospace and defense market.

Along with our focus on driving financial and operating performance, we also continued our work in 2023 to improve our ESG efforts by creating a more diverse, equitable and inclusive workplace, reducing our environmental footprint and ensuring that our business operates responsibly on all fronts.

FY 2023 Financial and Operational Highlights

\$6.6B

Revenue

~90% Generated by Proprietary Products

~56% Generated by Aftermarket Sales

\$3.4B

EBITDA as Defined*

\$82B

Total Enterprise Value**

\$20.0B

Total Assets

~148% 5-Year Total Shareholder Return

*EBITDA as Defined is a non-GAAP financial measure. For a presentation of the most directly comparable GAAP measures and a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.

**The total enterprise value was calculated as of 1/26/2024.

Strategic Mergers and Acquisitions Update

Mergers and acquisitions (“M&As”) continue to play a pivotal role in our operating strategy, as we actively pursue opportunities that align with our criteria—proprietary aerospace businesses with significant aftermarket content.

In May 2023, we completed our acquisition of Calspan Corporation for the purchase price of \$725 million. Based in Buffalo, New York, Calspan is a leading independent provider of proprietary highly-engineered testing and technology development services and systems, primarily for the aerospace and defense industry. Calspan operates from seven primary facilities across several states, including New York, Virginia, Minnesota and California. Calspan’s state-of-the-art transonic wind tunnel in Buffalo is used across a range of important aftermarket-focused development activities for both commercial and defense aerospace end markets. Since its acquisition, the Calspan integration has progressed well under the leadership of an experienced TransDigm executive vice president.

In November 2023, we announced TransDigm had entered into a definitive agreement to acquire CPI’s Electron Device Business for approximately \$1.385 billion in cash. CPI’s Electron Device Business is a leading global manufacturer of electronic components and subsystems, primarily serving the aerospace and defense market. The business’s products

are highly engineered proprietary components with significant aftermarket content and a strong presence across major aerospace and defense platforms. Approximately 70% of its revenue is derived from the aftermarket, and nearly all its revenue is generated from proprietary products. CPI’s Electron Device Business has manufacturing locations in Palo Alto, California; Beverly, Massachusetts; Middlesex, UK; and Woodland, California.

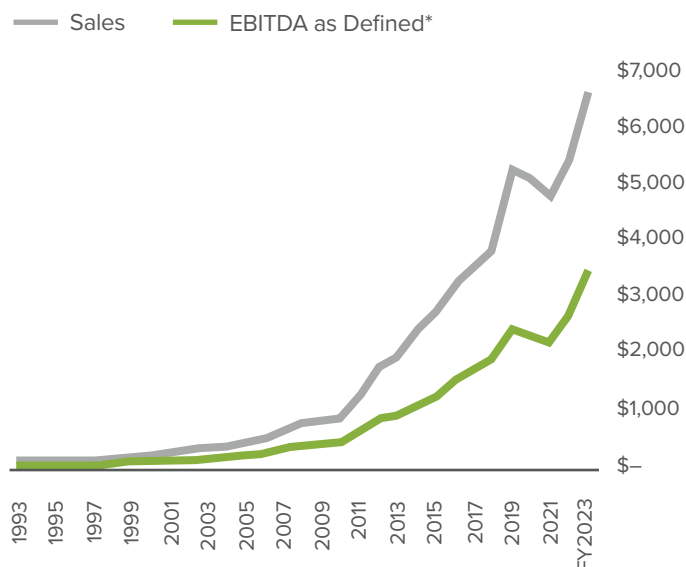
Shareholder Engagement

We proactively engage with stockholders and other stakeholders throughout the year to learn their perspectives on significant issues, including company performance and strategy, corporate governance, executive compensation and ESG topics. This engagement helps us better understand stockholder priorities and perspectives, gives us an opportunity to elaborate on our initiatives and practices and fosters constructive dialogue. We consider feedback and insights from our engagement with stockholders and other stakeholders as we review and evolve our practices and disclosures and further share them with our Board as appropriate.

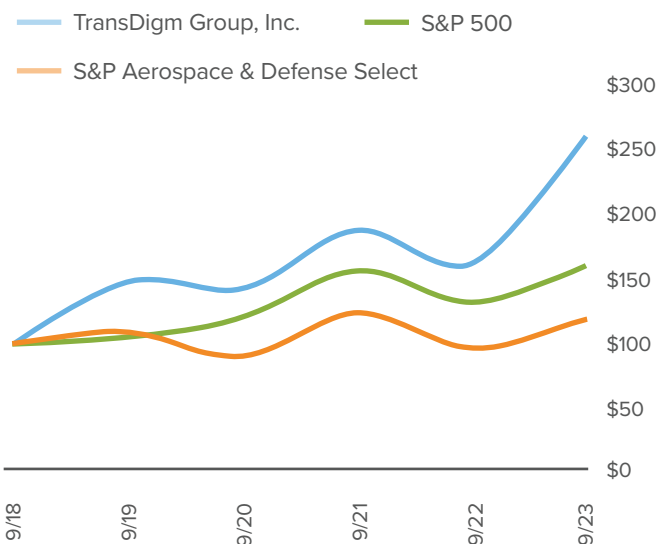
Further details regarding our shareholder engagement program and shareholder outreach conducted in 2023 can be found in the 2024 Proxy Statement dated January 26, 2024.

UNPARALLELED TRACK RECORD OF CONSISTENT GROWTH

Sales and EBITDA as Defined (in millions)



Comparison of 5 Year Cumulative Total Return**



*EBITDA As Defined is a non-GAAP financial measure. For a presentation of the most directly comparable GAAP measures and a historical reconciliation of EBITDA as Defined to Net Income, please see the appendix.

**\$100 invested on 9/30/18 in stock or index, including reinvestment of dividends. FY ending September 30. Copyright© 2023 Standard & Poor’s, a division of S&P Global. All rights reserved.

Our Commitment to ESG

COMMITMENT TO ESG PRIORITIES AND VALUES

Alongside our steadfast commitment to delivering value for our shareholders lies our dedication to enhancing the well-being of our employees, communities and the environment. We manifest this commitment through a structured approach overseen by our Nominating & Corporate Governance Committee. This Committee, among its myriad of responsibilities, plays a pivotal role in supervising our ESG initiatives, ensuring their alignment with our strategic vision.

Annually, the Committee conducts a comprehensive assessment of TransDigm’s risks, including those related to ESG. Furthermore, we proactively engage with stakeholders throughout the year, actively seeking their input on various topics, such as company performance, strategic direction,

corporate governance, executive compensation and ESG-related issues and opportunities. This ongoing dialogue with stakeholders, coupled with our risk assessment, informs and shapes our ESG approach.

In 2023, we continued to demonstrate our commitment to environmental sustainability, workforce diversity and community engagement through a range of ESG initiatives. These efforts included reducing our environmental footprint, fostering the diversity of our workforce, supporting underrepresented students and assisting veterans in their transition to civilian employment. As we move forward, we remain dedicated to implementing initiatives that generate long-term value for all our stakeholders.



ESG HIGHLIGHTS

As a global organization operating more than 100 manufacturing facilities worldwide, we take our corporate responsibility seriously. To this end, we strive to improve our ESG initiatives each year. In 2023, we continued to make efforts toward our goal of becoming a more sustainable and responsible company.

Implementing a **Combating Trafficking in Persons** Policy

Improving Board diversity with the addition of a male director with an ethnically diverse background

Supporting manufacturing growth in Northeast Ohio through our multi-year commitment of financial support to the **Manufacturing Advocacy and Growth Network (“MAGNET”)**

Funding a **STEM-focused TransDigm Group Learning Center at the GLSC** that brings programming to under resourced and underrepresented youth in Cleveland

Under the Doug Peacock Scholarship Program, **awarding ~840 scholarships** to underprivileged and underrepresented youth by 2024

Completing 2023 **enterprise-wide GHG inventory** for Scope 1 and Scope 2 emissions, along with **enterprise-wide aggregation** of water consumption

Progressing toward our commitment of a **50% reduction in Scope 1 and Scope 2 emissions** by 2031 through energy efficiency measures, the purchase of green power and other actions

GREEN PRODUCT HIGHLIGHTS

Making Products Greener

270 VDC HYBRID CONTACTOR



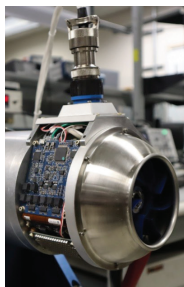
Patented galvanically isolated 270Vdc Hybrid Contactors are compact, lightweight and simple to install. Designed for safety critical applications where reliability and high cycle counts are of prime importance, the Hybrid Contactor product line is a significant improvement to the existing high power switching devices available to the aerospace market.

LARGE AREA DISPLAY



The Korry Large Area Display is a joint development in collaboration with the Air Force Research Lab using specific optical and performance improvement criteria. The Korry Large Area Display doubles the brightness and halves the power of displays currently available on the market while advancing current Korry touchscreen technology.

BRUSHLESS STARTER GENERATOR



The Brushless Starter Generator 200BLSG is a drop-in replacement for 200A brushed DC starter generators with proprietary on-board power electronics and software. All brushless starter generators currently on the market are sold with an accompanying starter generator control unit for power conversion that comes with a significant weight penalty. The 200BLSG overcomes this deficiency while providing all the benefits of brushless technology.

HYBRID T-BOLT CLAMP AND LINE SUPPORT BLOCK



TA Aerospace is a leading innovator in the development of aviation clamping products. The latest product family is a hybrid of a t-bolt clamp and a line support block, which will support a large range of payload sizes for aircraft and space applications. This product results in shorter installation time and eliminates the need for multiple clamps from multiple suppliers, simplifying the supply chain and netting a 20% weight savings in most applications.

SUSTAINABLE DECORATIVE LAMINATES



Schneller's upcoming sustainable product line seamlessly integrates recycled content, upholding the brand's unwavering commitment to premium quality, aesthetics and functionality that the industry expects. Scheduled for launch in May 2024, this development affirms Schneller's dedication to pioneering eco-conscious solutions.

NEXT GENERATION FORCE TRANSDUCERS



Mason is developing a new transducer (cursor control device) for use in Control Grip Assemblies. Through innovation, the products are smaller, sealed and have increased endurance that will meet new customer and program requirements. The materials used are smarter and more responsive, with improved thermal, electrical and mechanical characteristics. They also use more sustainable materials, transitioning from beryllium copper to 17-4 stainless steel.

Governance and Responsible Business Practices

CORPORATE GOVERNANCE

Our independent, highly experienced Board plays a pivotal role in overseeing TransDigm’s management team and strategic direction. This oversight ensures that we consistently deliver long-term value for our shareholders while upholding responsible business practices. We are committed to regularly evaluating the Board’s composition to ensure a diverse

range of expertise and perspectives. The collective skills, experiences and backgrounds that our Board members bring to TransDigm are invaluable. On an annual basis, both the Board and its subcommittees—the Audit, Compensation and Nominating & Corporate Governance Committees—conduct comprehensive self-evaluations to proactively identify and address any governance gaps or potential issues.

KEY GOVERNANCE PROVISIONS

- **ACTION**
by written consent
- **SEPARATE**
Chairman and CEO roles
- **DIRECTORS**
stand for annual election
- **PROXY ACCESS**
for qualifying shareholders
- **STRONG BOARD INDEPENDENCE**
7 of 10 independent directors
- **LEAD INDEPENDENT DIRECTOR**
appointed in 2023
- **SHAREHOLDER RIGHT**
to call a special meeting

Role of the Board of Directors

TransDigm’s Board is entrusted with overseeing the CEO and senior management to ensure competent and ethical operations that serve the long-term interests of shareholders. Directors are expected to proactively maintain high standards of responsibility and ethics to drive business success.

In 2023, the Board convened four times, with each Board member participating in at least 75% of these meetings, including committee sessions. Our key governance documents, including our Corporate Governance Guidelines, are readily accessible at www.transdigm.com.

Composition of the Board and its Committees

The Board firmly believes that its separate Chairman and CEO structure enhances its capacity to fulfill its responsibilities on behalf of TransDigm’s shareholders while effectively overseeing management. This setup allows the CEO to concentrate on the Company’s day-to-day operations while benefiting from the Chairman’s expertise in capital allocation, acquisitions and the strategic vision and culture of the organization, thereby fostering Board-level accountability.

All Board members, except three, meet the independence criteria of the New York Stock Exchange (“NYSE”). The members of the Board’s committees are also independent under NYSE and U.S. Securities and Exchange Commission (“SEC”) rules for committee memberships, with the Audit Committee members meeting additional independence criteria under Rule 10A-3(b)(1) of the Exchange Act.

COMMITTEE RESPONSIBILITIES

Audit Committee

The Audit Committee plays a crucial role in overseeing TransDigm’s accounting and financial reporting processes, as well as conducting financial statement audits. It supports the Board in ensuring the integrity of financial statements, compliance with legal and regulatory requirements, the qualifications and independence of independent auditors and the performance of internal audits and independent auditors.

Furthermore, the committee is responsible for the selection, compensation, retention and oversight of TransDigm’s independent auditors. It also serves as a platform for discussions of audit-related matters, enterprise risk management and cybersecurity. In 2023, the Audit Committee convened eight times to fulfill its duties.

Compensation Committee

The Compensation Committee is responsible for overseeing executive compensation, managing employee benefit plans and exercising exclusive authority over TransDigm’s stock option plans. These encompass the selection of recipients, award types, terms, conditions and grant timings, except

director awards, which require full Board approval. The Board confirms that all Compensation Committee members maintain independence from management in the execution of their committee duties. In 2023, the Compensation Committee convened five times to fulfill its responsibilities.

Nominating & Corporate Governance Committee

The Nominating & Corporate Governance Committee is responsible for identifying and recommending director nominees, assessing committee qualifications and developing corporate governance policies. Additionally, it exercises oversight of governance matters, spearheads the Board’s annual performance evaluation, supervises succession planning and monitors TransDigm’s ESG initiatives. For further insights into TransDigm’s ESG oversight, please refer to p. 15. In 2023, the Nominating & Corporate Governance Committee convened four times to fulfill its duties.

Areas of Board and Committee Oversight in 2023

	Audit Committee	Compensation Committee	Nominating & Corporate Governance Committee	Full Board of Directors
Corporate Strategy				○
Enterprise Risk Management	○			○
Cybersecurity	○			○
Legal and Regulatory Compliance	○			○
Environment, Social and Governance			○	○
Diversity and Inclusion			○	○
Succession Planning		○	○	○
Human Capital Management		○	○	○
Corporate Governance			○	○

Corporate Governance Policies and Practices

TransDigm’s governance framework is designed to foster principled actions, informed and effective decision-making and appropriate monitoring of compliance and performance. The key elements of our governance framework include:

SEPARATION OF CHAIRMAN AND CEO ROLES

We have a separate Chairman and CEO.

LEAD INDEPENDENT DIRECTOR

We appointed a Lead Independent Director in 2023 to further alignment with shareholders and to align with market best practices.

REFRESHED COMMITTEES

We have refreshed the membership of three of our four committees.

RETIREMENT POLICY

Directors are required to retire from the Board when they reach age 75 subject to waiver by the Board.

PROXY ACCESS

Up to 20 shareholders owning at least 3% of outstanding common stock continuously for 3 years may nominate the greater of two directors or 20% of the Board seats.

ANNUAL DIRECTOR ELECTIONS

All directors are elected annually for a one-year term.

PROHIBITIONS ON HEDGING, PLEDGING AND SHORT SELLING

We prohibit short sales, transactions in derivatives, hedging and pledging of TransDigm securities by all directors and employees.

STOCK OWNERSHIP GUIDELINES

We have robust equity ownership guidelines for our directors, officers and management employees.

SUCCESSION PLANNING

Our Board regularly reviews executive succession planning.

ANNUAL BOARD AND COMMITTEE SELF-EVALUATIONS

Our Board and Committees conduct annual performance self-evaluations to assess Board performance.

RESOURCES*



*Resources can be found at www.transdigm.com.

Executive Compensation

Our executive compensation program, which is reviewed and approved by the Board’s Compensation Committee, is designed with policies, practices and clear guiding principles that aim to reward the management team for delivering results consistent with our long-term strategic objectives and aligned with our stakeholders’ interests. The Compensation Committee strives to evolve TransDigm’s compensation to reflect shifts in shareholder priorities and regularly evaluates TransDigm’s executive compensation program to determine if changes are appropriate. The Compensation Committee consists entirely of independent directors whose executive

compensation determinations are subjective and the results of the Compensation Committee’s business judgment, which is informed by the experiences of its members and the input provided by its independent compensation consultant, other directors, our CEO (other than with respect to his own compensation), other members of management and shareholders.

A detailed discussion of our executive compensation program can be found in our 2024 Proxy Statement dated January 26, 2024.

Executive Compensation Policies and Practices

We are committed to sound executive compensation policies and practices, as highlighted below.

<p>WHAT WE DO</p>	<p>Equity compensation limited to performance-based options Our stock option plans do not authorize the issuance of any full value awards, such as stock, restricted stock or other stock-based units. Our option program relies on performance-vested options with robust performance criteria; we do not issue time-vested options.</p>
	<p>Prohibition on hedging, pledging and short sales We prohibit hedging, pledging, transactions in derivatives and short sales in TransDigm securities by all employees and directors, including our continuing named executive officers.</p>
	<p>Equity ownership guidelines We have robust equity ownership guidelines for all of our option holders, including our named executive officers.</p>
	<p>Annual compensation risk assessment The Compensation Committee conducts an annual risk assessment of our compensation program.</p>
	<p>Independent compensation consultant The Compensation Committee directly retains an independent compensation consultant.</p>
	<p>Double-trigger change in control Starting with our FY 2024 option grants and new named executive officers employment agreements, we have incorporated double-trigger change in control provisions.</p>
<p>WHAT WE DON'T DO</p>	<p>No repricing We do not allow repricing of stock options without stockholder approval.</p>
	<p>No tax gross-ups We do not provide for gross-ups of taxes, including in the event of a change in control or under Section 409A.</p>
	<p>No evergreen employment contracts Executive employment agreements do not contain automatic renewal provisions.</p>



RISK MANAGEMENT

TransDigm conducts a comprehensive annual risk assessment that involves identifying and ranking risks specific to our organization, including risks related to our strategy, our operations, legal and regulatory matters, financial matters and other general risks. TransDigm’s executive officers meet annually to discuss the material risks facing the Company and potential mitigations, a summary of which is presented to the Board. The Board reviews and discusses these risks at its regularly scheduled meeting each year. This annual risk assessment is seamlessly integrated into our wider risk management strategy, ensuring that we not only analyze risks but also develop effective strategies to mitigate them. TransDigm’s executive officers also engage in regular reporting to the Board regarding the Company’s litigation, compliance, acquisitions, environmental issues, social matters and any other known risks that arise. We also have risk transfer mechanisms in place, such as insurance, disaster recovery plans and business continuity plans, to help offset risks to our business. Our commitment to rigorous risk management reflects our dedication to protecting the interests of our shareholders, upholding operational integrity and achieving long-term value creation.

Board Oversight of Risk Management

TransDigm’s Board is responsible for working with the management team to proactively assess and manage the Company’s risks. To fulfill this role effectively, the Board collaborates with its committees, each of which assumes responsibility for assessing the risks within its defined purview and reporting significant risks, as well as management’s response, to the full Board.

The Board maintains primary oversight of specific risk areas, including corporate strategy, while the management team assumes responsibility for day-to-day risk management, regularly reporting to the Board and its committees. The Audit Committee is primarily responsible for overseeing enterprise risk management, which includes identifying, assessing, monitoring, managing and mitigating significant business

risks. The Compensation Committee is primarily responsible for overseeing risks related to TransDigm’s compensation programs, with the goal of avoiding material adverse effects on TransDigm by ensuring that the programs do not encourage excessive risk-taking and are aligned with the creation of long-term shareholder value.

Climate Change Risk Management

We continuously assess current and potential sustainability risks, including short-, medium- and long-term risks related to climate change. Given that our manufacturing facilities primarily focus on assembly and light manufacturing, coupled with the absence of transportation infrastructure, our Scope 1 and Scope 2 GHG emissions remain relatively low compared to others in the aerospace and defense industry. Consequently, we do not foresee any significant adverse effects stemming from increased carbon regulations. Furthermore, due to our extensive product portfolio, encompassing hundreds of thousands of products, we do not anticipate material adverse impacts associated with an overreliance on a single supplier or group that may be subject to sustainability or climate risks. However, we closely monitor regulations that could have a material adverse impact on air travel, which could in turn have a material adverse impact on our business. We believe that continuing to evaluate ways to reduce our energy and water consumption and our GHG emissions through energy efficiency measures, the purchase of green power and other actions will help us manage climate-related risks.

Some of our manufacturing facilities are located in regions that may be impacted by severe weather events, such as increased storm frequency or severity in the Atlantic and fires in hotter, drier climates. These could result in potential damages to our physical assets, as well as disruptions in manufacturing activities. Additionally, some of our manufacturing facilities are situated in areas that may be at risk due to rising sea levels, while others are located in areas that could experience decreased access to water due to climate issues.



BUSINESS ETHICS

At TransDigm, honesty, integrity and ethical conduct are not just values; they form the cornerstone of our company's culture. These principles are woven into the fabric of our organization, upheld at every level, from the Board and senior leadership to each employee in every operating unit. Our managers and supervisors play a pivotal role in reinforcing our commitment to ethics by setting exemplary standards and equipping employees with continuous training, education and readily available resources that align with TransDigm's ethical policies. We continually assess our ethics program, including training opportunities, and make modifications as appropriate.

Our governance documents are available on our website at <https://www.transdigm.com>. Anyone may receive a copy free of charge by writing to us at TransDigm Group Incorporated, 1301 East 9th Street, Suite 3000, Cleveland, Ohio 44114. We intend to disclose on our website any amendment to, or waiver from, a provision of our Code of Business Conduct and Ethics that applies to directors and executive officers and that is required to be disclosed, pursuant to the rules of the SEC.

Code of Business Conduct and Ethics

We uphold a robust [Code of Business Conduct and Ethics](#) that serves as a guiding framework for all team members, regardless of their roles in the Company. This Code is reviewed annually and regularly updated, with the Audit Committee's oversight and approval. It establishes the expectation that employees, officers, directors and agents will conduct business legally. It also addresses conflict of interest situations, international trade compliance, protection and use of TransDigm assets, corporate opportunities, fair dealing, confidentiality, human rights and reporting of illegal or unethical behavior.

The Code expressly prohibits paying, offering, accepting or soliciting bribes in any form, directly or indirectly. It also prohibits the use of TransDigm funds to support or oppose political parties or candidates or to reimburse employees or others who make donations to support or oppose political parties or candidates. Additionally, the Code outlines our commitment to supporting fundamental human rights and prohibits the use of human trafficking and child, slave or forced labor in our business activities.

Code of Ethics for Senior Financial Officers

We maintain a dedicated [Code of Ethics for Senior Financial Officers](#), which delineates the ethical standards expected from our financial leadership, including our president and CEO, chief operating officer, chief financial officer, chief accounting officer, vice president of finance, treasurer, director of internal audit, general counsel, operating unit presidents and operating unit vice presidents of finance. It outlines the principles and responsibilities governing their professional and ethical conduct. Only the Audit Committee or the Board

may waive a provision of this Code with respect to a senior financial officer. Any such waiver or any amendment to the code will be promptly disclosed on our website and as otherwise required by rule or regulation. There were no such waivers or amendments in 2023.

Whistleblower Policy

TransDigm nurtures an environment of open and direct communication, encouraging employees to voice concerns and disclose alleged wrongdoing that may adversely impact TransDigm, its customers or stockholders, fellow employees or the public, without fear of retaliation. We facilitate confidential reporting of ethical issues through our [Whistleblower Policy](#), reinforcing transparency and ethical standards. To enable the reporting of illegal or unethical behavior, we operate a 24-hour Ethics Whistleblower Hotline, offering both internet reporting and phone reporting options, while maintaining confidentiality and anonymity, where permissible by law. Reports to the hotline are diligently handled by our corporate compliance and legal teams, which are responsible for addressing and resolving issues. The Audit Committee chair receives notices and oversees the investigation of complaints about financial wrongdoing. The local promotion of the hotline at our operating units ensures that all employees are aware of this resource, and we also promote employee awareness of the hotline through in-person and virtual training.

Ethics Training

Our commitment to ethical conduct is underpinned by a robust employee training and education program that supports our policies and equips our workforce with the resources they need to understand their obligations and uphold the highest standards of ethical conduct.

Our outward-facing employees receive annual ethics training, supplemented by in-person sessions at conferences for our sales, operations and finance teams. We extend ethics training opportunities, including our anti-bribery, anti-corruption and trade compliance modules, to our intermediaries.

To comply with state laws, sexual harassment prevention training, tailored to the roles and levels of our employees, is conducted at each of our operating units. This gives our employees a clear understanding of their responsibilities in preventing harassment in the workplace. We also conduct regular anti-corruption and fraud audits to maintain our vigilance against unethical practices. We submit semi-annual compliance reports to the Audit Committee as part of our commitment to transparency and accountability.

Additionally, we provide in-person trade compliance training by region, addressing the needs of those involved in import/export activities. In 2023, we conducted training sessions in Europe and Asia. In the U.S., we conduct region-based training sessions. Webinars are also utilized to ensure compliance with government regulations since we regularly have contracts with the government.



BUSINESS ETHICS (CONT.)

We continuously evaluate the effectiveness of our ethics program, including our training initiatives, and adjust it as necessary. For instance, in 2022, we introduced a confidence assessment feature to our anti-bribery and anti-corruption training, enabling us to customize future training based on the specific needs of our employee base. Currently, we are identifying TransDigm employees who engage extensively with third parties, allowing us to provide targeted training, further strengthening ethical practices in our organization.

We are also committed to supporting fundamental human rights and believe in the dignity and worth of all individuals. In 2023, we implemented a [Combating Trafficking in Persons Policy](#). The policy strictly prohibits our employees, consultants or suppliers from engaging in, promoting or supporting human trafficking. We condemn any degrading treatment of individuals and are committed to providing safe working conditions. Violations of the Combating Trafficking in Persons Policy should be immediately reported to the TransDigm 24-hour Ethics Hotline.

DATA AND INFORMATION SECURITY

At TransDigm, we are committed to maintaining a comprehensive, risk-based cybersecurity and information security program to protect our networks, systems and information. Recognizing the ever-evolving cybersecurity threats, our Director of Cybersecurity is responsible for annually updating our corporate-led standards and policy-based framework in response to the latest security demands. The director also serves as an information technology (“IT”) resource for our operating units, holding monthly calls with the head of each unit to discuss emerging cybersecurity-related rules and regulations and available cybersecurity resources.

Our multi-layered framework is built on international cybersecurity standards and incorporates the requirements of the National Institute of Standards and Technology (“NIST”) Special Publication 800-171—Protecting Controlled Unclassified Information in Non-Federal Systems and Organizations—along with other legal and regulatory requirements and industry best practices. We actively harness both internal and external threat intelligence to research and assess potential risks, facilitating proactive resource allocation and potential remedial actions across our businesses. Additionally, we maintain cybersecurity insurance to respond effectively to any cyber events or incidents.

Furthermore, we employ a cybersecurity risk management program to continually monitor and evaluate cyber risks and adapt our framework accordingly. Our risk management program includes regular independent audits across all our operating units. Our Audit Committee, which includes members with cybersecurity oversight experience, provides direct oversight of our risk management efforts and stays regularly updated on our business compliance with our cybersecurity program.

The key requirements specified in our cybersecurity framework include:

Training and Awareness:

We conduct regular training sessions for all our employees, covering such areas as insider threats and cybersecurity, and we hold phishing exercises quarterly.

Technology Investment:

Our multi-faceted cybersecurity defenses feature robust measures, such as multi-factor authentication, managed endpoint detection and response services, 24/7 security monitoring with remediation services, privileged access management and timely vulnerability and patch management strategy. We enforce prompt action following any incidents or findings, prioritized based on their criticality and associated risks.

Third-Party Assessments:

We conduct independent penetration tests at least annually and require remediation of any identified issues within a defined period based on criticality and risk.

Incident Response Plans:

Our comprehensive cybersecurity incident response plan, adopted by all our businesses and overseen by our Corporate executive team, outlines our policies and procedures for effectively managing a global cybersecurity incident. It includes, among other things, encrypted backups, quarterly recovery testing requirements and considerations for business continuity.

We are committed to effectively safeguarding both our data and our customers’ information. TransDigm publicly shares its [Privacy Policy](#)^{*}, offering insights into how customer information is collected and used, along with other details concerning our privacy practices.

*Our Privacy Policy can be found at www.transdigm.com.

RESPONSIBLE SUPPLY CHAIN

The integrity of our supply chain is paramount, and we hold our suppliers to the same high standards that we uphold for ourselves. We consistently evaluate and qualify new suppliers to ensure alignment with our values and ethical standards. We extend the principles of our Code of Business Conduct and Ethics to our supplier network.

As outlined in our [Conflict Minerals Policy](#)^{*}, we are committed to complying with the requirements regarding conflict minerals—tin, tungsten, tantalum and gold. We actively participate in global efforts to curtail funding to armed groups involved in conflict and human rights abuses. Through rigorous supply chain due diligence, we scrutinize our manufacturing processes and the raw materials and components that we source.

In line with this commitment, we pledge to:

- **Vigilantly work to identify** the presence of conflict minerals in our supply chain.
- **Establish processes** to trace the sources of tin, tungsten, tantalum and gold utilized in our supply chain, whether originating from the Democratic Republic of the Congo and certain adjoining countries or derived from recycled or scrap sources.
- If necessary, **conduct supply chain due diligence**, adhering to the Organization for Economic Co-operation and Development's framework or similar standards.
- **Ensure that our suppliers are well-informed** about SEC reporting requirements pertaining to conflict minerals.

Furthermore, we have taken proactive steps to mitigate the risk of human trafficking in our supply chain. TransDigm's strict Combatting Trafficking in Persons Policy prohibits engagement with suppliers engaging in, promoting or supporting human trafficking, which includes unlawful child labor, human slavery or commercial sex acts. Any violation of this policy that is committed by a supplier may result in suspension of payments, termination of services or other appropriate actions.



^{*}Our Conflict Minerals Policy can be found at www.transdigm.com.



Social Responsibility and Community Engagement

EMPLOYEE DEVELOPMENT

We consider our employees to be our greatest asset. We are committed to fostering employee growth and offer comprehensive training and development programs to empower internal career progression. We employ a blend of structured and informal initiatives to identify, nurture and retain exceptional individuals at both the corporate and operating unit levels.

We are also dedicated to maintaining a strong and experienced management team. We believe that our best future talent comes from our current talent; as such, we prioritize promoting from within the organization and continually work to identify and support the advancement of emerging leaders. We consistently fill two-thirds or more of open senior leadership positions with internal candidates.

TransDigm University

In partnership with the University of Southern California Marshall School of Business, we have established TransDigm University (“TDGU”), a formal mentoring and education program with a curated curriculum and accomplished leaders serving as mentors. Program participants focus on enhancing their skills, leading to greater job satisfaction and more valuable professional contributions. The program helps TransDigm identify top-performing talent, contributes to enhanced employee performance and retention, fosters organizational learning and nurtures growth of our existing employees, aligning with our commitment to career progression and development.

We are proud of the improvements we have made in our diversity efforts at TDGU. Our most recent class is approximately 27% gender and racially diverse, which is close to double that of the program’s inaugural class in 2019. Our work here is certainly not done, and we will continue to increase diversity in future classes.

Management Development and Training

Through our [Management Development Program \(“MDP”\)*](#), we identify new talent and prepare candidates for success in our organization. For this program, we actively recruit recent Master of Business Administration graduates from colleges and universities across the U.S. to help reach a large and diverse pool of candidates. Program participants work for three 8-month periods across selected TransDigm operating units. They gain experience in developing, manufacturing and selling aerospace components, with the intent of becoming

fully immersed in our business operations. Upon completion of the program, MDP participants are equipped with the knowledge and experience required to excel as managers at TransDigm. Our goal is to onboard successful MDP graduates as full-time employees at one of our operating units.

We continue to evaluate the roster of schools that we recruit from for the MDP and prioritize creating a more diverse class. Our most recent MDP class is approximately 44% gender and racially diverse, which is close to double that of the program’s inaugural class in 2019. We are committed to continuing our diversity efforts for the MDP into the future.

In addition to our MDP program, TransDigm’s executive team provides informal mentorship to nurture rising talent. This accelerates the development of top performers, fosters organizational learning, enhances employee performance and contributes to our retention efforts. Our executive team dedicates substantial time to assessing our pool of future leaders, ensuring that we have the people and skills necessary to continue driving our business forward.

Junior Military Officer Rotational Program

As a company with products and values that support the U.S. military and its allies, TransDigm is dedicated to offering employment opportunities to U.S. military veterans. We recognize the invaluable knowledge and skills they bring to the workforce, and many of our U.S.-based operating units have specific programs or initiatives that provide career opportunities to veterans as they make the transition to civilian careers.

The [Junior Military Officer \(“JMO”\)* Rotational Program](#) at TransDigm is a structured one-year development initiative, consisting of two 6-month rotational assignments in specified regions, including Southern California, Greater New York City and Cleveland, Ohio. Participants rotate through key functional groups, such as operations, product development, sales and marketing, supply chain and program management. Each JMO is paired with a dedicated military veteran mentor at TransDigm, often former JMOs who have successfully made the transition to civilian careers and now hold executive roles at TransDigm. After completing the program, each participant is well-prepared to assume a leadership position at one of TransDigm’s operating units. We created this program to specifically recruit JMOs because of their leadership skills, adaptability and attention to detail, which are qualities that align with TransDigm’s commitment to excellence in the aerospace and defense industry.

*Additional information on MDP and our JMO rotational program can be found at www.transdigm.com.

EMPLOYEE SAFETY AND WELL-BEING

In our pursuit of delivering the safest and highest quality products to our customers, we understand the importance of ensuring the health and safety of our employees who design, engineer and produce these products. We are committed to preserving our employees' health and safety while continuing to meet and exceed our customers' needs and expectations.

Health and Safety

We are focused on establishing, maintaining and operating our facilities, with a strong emphasis on process safety and risk mitigation. Equally, we strive to empower and support our employees in preventing accidents and promoting a healthy work environment. We require our personnel to report and communicate risks, potential hazards, incidents and near misses so that we can investigate and establish appropriate measures to prevent future occurrences. To underscore our commitment to employee safety and well-being, we require each operating unit to individually report environmental, health and safety matters to our executive team monthly.

Employee Benefits

At TransDigm, our dedication to our employees goes beyond just offering competitive compensation. We are committed to providing a comprehensive benefit package that serves as an investment in employee well-being and professional development.

To empower our employees financially, we provide retirement savings plans and opportunities for tax-free savings through flexible spending accounts and health savings accounts. We believe that our compensation programs, including base pay, bonus structures and equity programs, fairly reward our employees for their hard work. Additionally, we understand the importance of maintaining a work-life balance, which is why our employees receive paid time off and enjoy designated holidays.

We also believe in the value of continuous learning and development. Beyond the formal and informal employee development programs at TransDigm and our operating units, we encourage our employees to pursue further education by utilizing the tuition reimbursement programs available at the majority of our operating units. Some operating units also actively partner with local colleges to provide training courses that enhance our employees' skills, making them more valuable to not only our Company but also to our customers and communities.

Our equity compensation plans play a pivotal role in attracting and retaining key talent while aligning employee interests with those of our stockholders. Featuring performance-based stock options, these plans are integral to our equity-based compensation strategy. As we cultivate a culture of growth and excellence, we firmly believe that the use of performance-based stock options will continue to be a key element in retaining our essential employees and attracting future talent.

OUR U.S. WELFARE BENEFIT OFFERINGS INCLUDE



Multiple medical plans to serve the various needs of employees



Dental and vision coverage



Life, survivor and accidental death and dismemberment insurance



Short- and long-term disability benefits



Tuition assistance programs



Various voluntary benefits

Including legal insurance, an identity theft protection plan, critical illness insurance, accident insurance and an employee assistance program

DIVERSITY, EQUITY AND INCLUSION

At TransDigm, we highly value the contributions of diverse perspectives, fresh ideas and varied experiences. Our commitment to diversity is more than just an organizational goal; it is a fundamental principle that drives innovation, enhances our competitive edge and ultimately leads to better outcomes for all stakeholders. To gauge our progress, we annually review and assess our diversity initiatives and metrics. We strive for improvement each year.

We recognize that leadership plays a pivotal role in shaping our diversity, equity and inclusion (“DEI”) journey. Beginning in 2022, we worked to enhance DEI awareness among our leadership through the implementation of Unconscious Bias Training for our Board and management. Furthermore, our commitment to DEI is interwoven into our internal training programs, communications and conferences, ensuring that diversity remains at the forefront of our organizational culture.

Our Board actively contributes to our DEI efforts, particularly through the Nominating & Corporate Governance Committee, which recommends director candidates, taking into consideration diversity, independence, skills and experiences. DEI initiatives are also routinely discussed during our quarterly Board meetings, and the Board remains dedicated to bolstering gender diversity of our senior management.

Annually, we submit a U.S. Federal Employer Information Employment Data Report (Form EEO-1) to maintain compliance

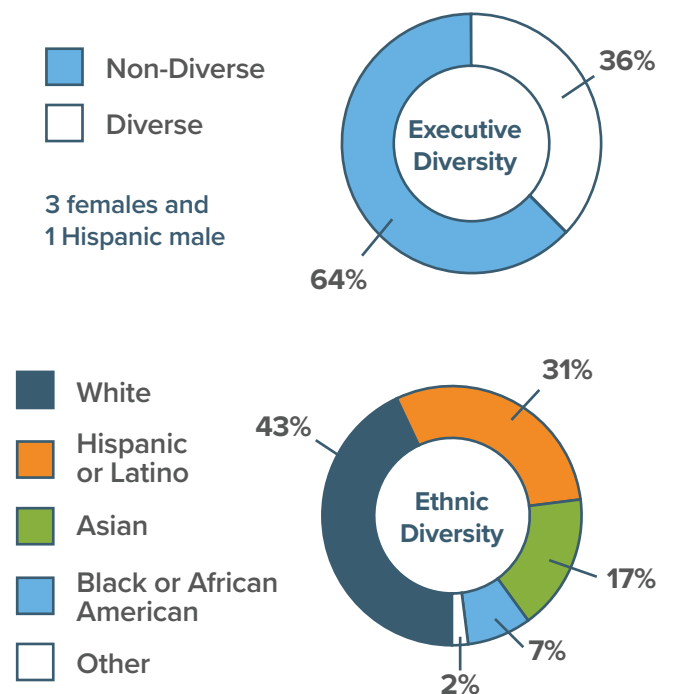
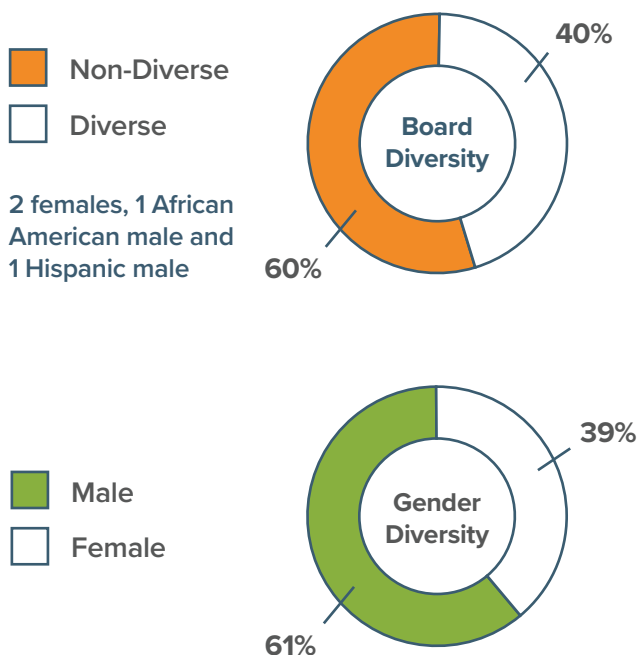
with the requirements of the U.S. Equal Employment Opportunity Commission. The date of our last EEO-1 filing was December 5, 2023, for our 2022 employee data. While we file the EEO-1 report annually in compliance with the submission deadlines set by the U.S. Equal Employment Opportunity Commission, we present diversity data within this Stakeholder Report that we believe represents meaningful measures of our diversity profile.

Discrimination is not tolerated at TransDigm. We are committed to high ethical standards and equal employment opportunities in all personnel actions, without regard for race, color, religion, gender, national origin, citizenship status, age, marital status, gender identity or expression, sexual orientation, physical or mental disability or veteran status.

We are proud of the strides we have made regarding diversity in our employee development programs. For example, approximately 44% of the most recent MDP participant group is gender and racially diverse, which is close to double that of the program’s inaugural class in 2019. Recent additions to our recruitment program, such as colleges and universities participating in the Doug Peacock Scholarship Program, have increased its diversity. Knowing that more work needs to be done, we are determined to build on our achievements and sustain our commitment to diversity in our programs in the years ahead.

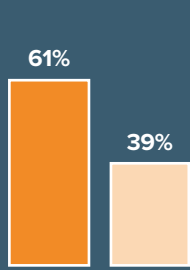
TRANSDIGM DIVERSITY

U.S. Employees Only

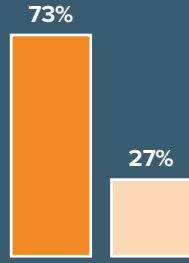


GENDER DIVERSITY BY JOB CATEGORY

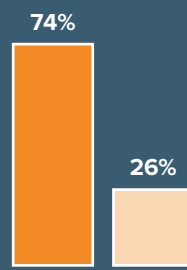
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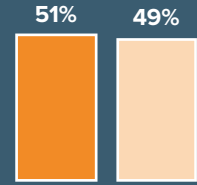
OVERALL TRANSDIGM



EXECUTIVES



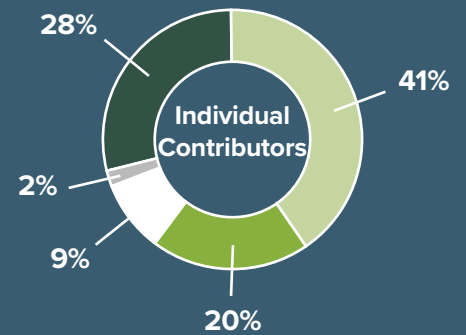
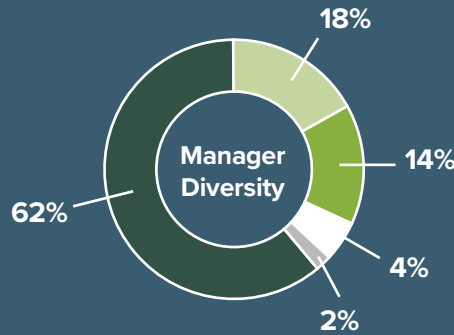
MANAGERS



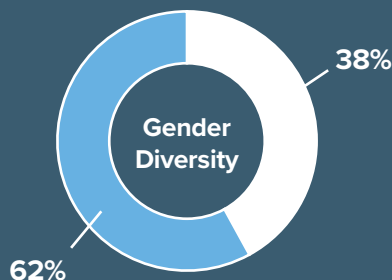
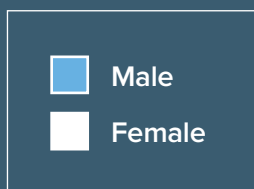
INDIVIDUAL CONTRIBUTORS

RACE AND ETHNICITY BY JOB CATEGORY

U.S. Employees Only



GLOBAL GENDER DIVERSITY





The Doug Peacock Scholarship Program

COMMUNITY IMPACT

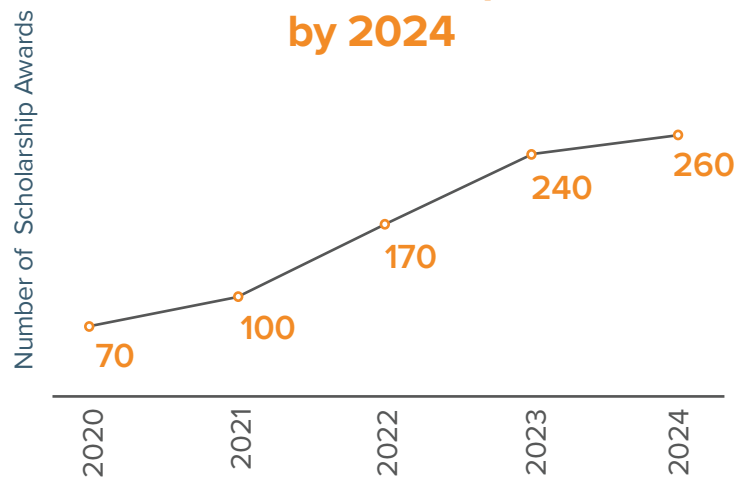
At our headquarters in Cleveland, Ohio, TransDigm is committed to making a positive impact in our local community. We recognize the importance of supporting underserved and disadvantaged communities, and we actively participate in a variety of initiatives aimed at driving positive change.

We also encourage and empower each of our operating units across the globe to establish strong connections with their respective local communities. We firmly believe that meaningful community engagement is a shared responsibility. We actively encourage our teams to identify and support causes that resonate with the unique needs and challenges of their local areas.

By fostering a culture of community involvement and social responsibility at both our corporate and local levels, we aim to create a ripple effect of positive change that extends far beyond our business operations. TransDigm is dedicated to being a force for good and making a lasting difference in the lives of those who need it most. Through our collaboration, dedication and collective efforts, we strive to build stronger, more resilient communities and contribute to a brighter future for all.

The Doug Peacock Scholarship Program

840 Total Scholarship Awards by 2024



Prior year data was updated from estimates to actual scholarships awarded.

Corporate Community Initiatives

The Doug Peacock Scholarship Program

At TransDigm, we highly value the diversity and talent in our workforce, and we are dedicated to nurturing promising young individuals who may face barriers to developing their skills. In 2020, we established the Doug Peacock Scholarship Program, named to honor the legacy of one of TransDigm’s founders, Doug Peacock. This initiative is designed to provide educational opportunities primarily to minority students pursuing engineering or business careers.

We carefully select schools that offer robust curricula and hands-on learning experiences to equip students with the knowledge and skills needed to address global challenges. The program grants non-endowed scholarships to minorities, with a preference for minority females. Scholarships are renewable—assuming that the students continue to meet eligibility requirements—and help alleviate financial burdens. By supporting underrepresented groups, we create pathways for individuals to pursue and achieve their ambitions.

We have forged ongoing partnerships with colleges and universities to provide postsecondary education to engineering and business majors in need. These institutions include Cleveland State University, Drexel University,

University of Washington, Clemson University, University of Southern California and Rochester Institute of Technology.

We also extend educational opportunities to high school students impacted by poverty and educational inequality at Saint Martin De Porres High School and Benedictine High School in Cleveland, Ohio.

Our commitment to diversity extends beyond scholarships. We actively supported Programs for Educational Enrichment and Retention and Women in Science and Engineering (“PEER” and “WISE”), a diversity program at Clemson University, by funding its 2023 summer program. The program focuses on math and soft skills development.

Additionally, we offer employment opportunities to our Doug Peacock Scholars, providing valuable career pathways and contributing to the development of a diverse workforce. We have some students who obtain internships and co-ops at our operating units. At TransDigm, we believe in empowering the next generation of talent both inside and outside the classroom, and we are dedicated to making a meaningful impact.

INSTITUTIONS INCLUDE:



“I was so excited when I found out I was selected for the scholarship. I remember reading the email and sending a screenshot to my family. They were very proud of me. I felt beyond grateful and blessed. The gift of education is so powerful, and I hope someday I can do the same and give back to others.”

2023 DOUG PEACOCK SCHOLARSHIP RECIPIENT

“The scholarship made the difference between attending Drexel—my ideal fit school—and going somewhere else that wouldn’t give me what I needed. It’s encouraging to be a woman in engineering and seeing that there are programs that support the growth of diversity in the field.”

2023 DOUG PEACOCK SCHOLARSHIP RECIPIENT



Corporate Community Initiatives (cont.)

The Red Cross of Northeast Ohio's Home Fire Campaign

In response to the alarming statistics of home fires in the U.S., TransDigm actively supports the Red Cross of Northeast Ohio's Home Fire Campaign. This initiative distributes and installs smoke alarms in underserved communities, while educating children, families and the elderly about home fire preparedness and safety.

Returning World-Class Athletics to Cleveland

TransDigm was proud to be the title sponsor of the 2022 and 2023 Tri CLE Rock Roll Run, a notable event in downtown Cleveland, and looks forward to being the title sponsor in 2024. This race has significantly grown in popularity, with all spots sold out. Through our sponsorship, we support Tri CLE's non-profit, the Kids that Tri Program. This program empowers underprivileged children in Greater Cleveland by teaching them how to swim, bike and run, as well as participate in a competitive triathlon.

The Manufacturing Advocacy and Growth Network

Recognizing the significance of manufacturing in Northeast Ohio's economy, TransDigm has made a substantial three-year financial commitment to MAGNET. For over three decades, MAGNET has been instrumental in fostering manufacturing growth in the region. By supporting small- and mid-sized manufacturers, facilitating the adoption of advanced technologies and offering workforce training, MAGNET has contributed to economic prosperity.

The USS Cleveland Legacy Foundation

As part of our commitment to supporting the U.S. military, TransDigm actively contributes to the USS Cleveland Legacy Foundation's endeavors. This foundation is dedicated to commissioning a new U.S. Navy threat combat ship, expected in the spring of 2025. It also aims to establish enduring connections between the sea services and the Greater Cleveland community, preserving the legacy of all four U.S. Navy ships that have borne the name Cleveland.

Supporting Cleveland Clinic's Cancer Research Funding through VeloSano

TransDigm is invested in the fight against cancer and has made contributions to VeloSano, Cleveland Clinic's premier fundraising initiative. This initiative directs 100% of the funds raised to the lifesaving cancer research conducted at Cleveland Clinic and Cleveland Clinic Children's. During VeloSano's flagship fundraising event, Bike to Cure, participants cycle up to 100 miles throughout Cleveland and its surrounding areas to generate funds for cancer research. TransDigm looks forward to continuing its support for this vital cause.

Cleveland Clinic's Sight-Saving Eye Care Services

TransDigm has partnered with Cleveland Clinic to champion the Vision First program. Through our substantial \$1 million commitment, we are supporting this community outreach initiative that provides free comprehensive vision screenings and eye examinations to elementary students in underserved communities throughout Northeast Ohio. This investment helps at-risk children access better vision care, enhancing their overall well-being and academic performance.

Corporate Community Initiatives (cont.)

TransDigm Sponsors New STEM Classroom at Great Lakes Science Center

Located in downtown Cleveland, Ohio, the GLSC is a museum and educational facility dedicated to hosting exhibits that support STEM education and exploration. The facility provides year-round opportunities for families and children to engage with hands-on exhibits that inspire and promote STEM learning.

The TransDigm Group Learning Center, a dynamic addition to the GLSC’s commitment to STEM education, opened in 2023. It is a state-of-the-art learning hub, tailored to support underprivileged and underrepresented youth in Cleveland and its neighboring communities. Featuring a cutting-edge classroom, it provides a new space for experiments, engineering challenges, laboratory workshops, robotics teams, field trips and summer camps.

The Learning Center will primarily serve students in kindergarten through eighth grades, Camp Curiosity sessions and high school FIRST® Robotics students. The Science Center estimates that, through the TransDigm Group Learning Center, an additional 200 students per week will be able to participate in hands-on workshops during the school year, and another 200 campers over the summer. Nearly half of all students who visit the Science Center on field trips are from Cleveland Metropolitan School District or other Title I schools, which translates to more than 3,700 students benefiting from additional access thanks to TransDigm.

With a strong focus on nurturing the next generation of scientists, engineers, entrepreneurs and innovators, this Learning Center embodies TransDigm’s commitment to fostering educational excellence and propelling young minds toward limitless possibilities in STEM fields. Our goal is to help inspire the future generation, one curious mind at a time.



“Whenever we seek to renovate existing areas, add to our footprint or transform our galleries, the goal is always to provide high quality, informal STEM learning experiences that fulfil our mission to make STEM come alive. By partnering to create this new space, we have even greater opportunities to help children develop the skills industry leaders like TransDigm Group look to for a strong future workforce.”

- DR. KIRSTEN ELLENBOGEN, PRESIDENT AND CEO, GREAT LAKES SCIENCE CENTER



Operating Unit Community Initiatives

At the operating unit level, our dedication to community engagement and philanthropy takes various forms throughout the year. Each operating unit, guided by its unique bond with its local community, exercises individual discretion in choosing charitable activities and organizations to support. Our operating units continue to champion a diverse range of causes, including:

- **United Way**
- **United Way Centraide Canada**
- **Saint Martin De Porres High School**
- **Phoenix Rescue Mission**
- **St. Mary's Food Bank Alliance**
- **West Valley Mavericks Foundation**
- **Wenatchee Valley College**
- **Cristo Rey Network**
- **ALS Ride for Life**
- **Leukemia & Lymphoma Society**
- **Yavapai Big Brothers Big Sisters**
- **Toys for Tots**

In addition to these initiatives, our operating units have enthusiastically participated in numerous community-driven endeavors, such as holiday toy drives, food and clothing donation campaigns, local charity run/walk events, school supply collections and active volunteerism with local organizations.

TransDigm's operating units also actively engage with their local communities through various educational initiatives, including mentoring high school students interested in STEM, facilitating work-study programs for young adults, providing scholarships to alleviate college expenses and supporting institutions, such as the GLSC.

Furthermore, across the TransDigm organization, nearly every operating unit boasts an internship or co-op program. Such programs cater to local college and university students pursuing diverse fields of study, including engineering, accounting, human resources and sales. These programs not only prepare students for promising careers but also expose them to the vast array of job opportunities available in our industry. By fostering educational growth and professional development, we play a vital role in shaping the workforce of tomorrow.

PRODUCT SAFETY AND INNOVATION

Our commitment to quality, safety and reliability forms the cornerstone of our approach to crafting highly specialized products that cater to the unique demands of aircraft operators and manufacturers across the globe. Over the course of our 30-year journey, our Company has grown and evolved, yet our dedication to innovation and quality remains steadfast. This enduring commitment to excellence is deeply embedded in our culture and drives the highest standards of safety for our products.

We strive to provide products and services that exceed our customers' requirements for quality and reliability and withstand the extraordinary conditions and stresses endured during use on an aircraft. The commercial aircraft component industry is highly regulated by the Federal Aviation Administration ("FAA") in the U.S., the European Union Aviation Safety Agency ("EASA") in Europe and other agencies around the world. The military aircraft component industry is governed by military qualification specifications. Our Company and the components we manufacture are required to be certified by one or more of these entities or agencies and, in many cases, by the individual OEMs, in order to engineer and service parts and components used in specific aircraft models.

We use sophisticated equipment and procedures to comply with quality requirements and specifications. For example, we perform a variety of rigorous testing procedures, such as testing under different temperatures, humidity and altitude levels; flammability testing; and shock and vibration testing. These types of procedures, together with other customer-approved techniques for process and quality control, are used throughout all our manufacturing facilities.

Our strategic investments in our business, with the goals of improving product quality and ensuring on-time delivery, are central to our core strategy. Our operating units deliver on these objectives by innovating across their product lines and all aspects of the business—from manufacturing equipment and processes to supply chain infrastructure and operations. Our operating units strive to ensure the safety of their products through high inspection rates and monitoring and analysis of any quality concerns from our customers. To this end, many operating units have obtained aerospace and quality management standard certifications, such as ISO 9001 and AS 9100.

Innovative New Products that Ensure the Safety of Endeavors on the Land, Sea and Outer Space

TOUCHFREE™ TOILET FLUSH AND WASTEFLAP



Adams Rite continues to expand its suite of touchless lavatory products. The toilet flush operates the toilet with the wave of a hand. The product was engineered for maximum reliability using infrared technology. The wasteflap includes proprietary sensor technology that makes it ultra-reliable. Both the toilet flush and wasteflap can also work mechanically in the event of electronic failure.

PRETENSIONER SYSTEM



AmSafe's pretensioner system provides enhanced, critical safety margins for three-point restraints commonly used in commercial and private aviation. The new system leverages AmSafe's existing crash sensor technology and is at the forefront of the latest industry passenger safety regulations.

NEXT GENERATION T-11 PARACHUTE



The Next Generation T-11 personnel parachute improves upon the standard T-11 parachute used by the U.S. Army since 2007. It incorporates proprietary vents on the canopy that virtually eliminate inversion incidents during jumps while also improving descent rates. These innovations enhance soldier safety throughout the jump and landing.

DACU4c GNSS ANTI-JAM PRODUCT



In 2023, Chelton launched its latest GNSS Anti-Jam product, the DACU4c; a compact, high-performance system that utilizes Chelton's expertise and success in Anti-Jam to integrate a four-channel controlled reception pattern antenna along with advanced processing electronics. The system is designed to maximize installation flexibility through optional power and diagnostics data over radio frequency and a highly reconfigurable baseplate to be tailored onto a target platform.

EXTREME VIBRATION AIR DATA FLIGHT TEST BOOM



As aircraft continue to fly higher and faster, the requirements for more robust air data systems are steadily increasing. As a result, Aerosonic developed an air data flight test boom capable of surviving in extreme vibratory environments for modern military aircraft. The boom measures pitot, static, total air temperature, angle of attack and angle of slip and is used during flight test campaigns to calibrate the aircraft's integrated air data system.

ABLATIVE INSULATION FOR HUMAN SPACEFLIGHT



Kirkhill manufactures tens of thousands of pounds of Ethylene Propylene Diene Monomer rubber for use as ablative insulation in rocket motors designed for future manned missions to the moon and beyond. Ablative insulation is designed to protect the spacecraft from the high heat and pressures experienced inside rocket motors during launch and flight.

Environmental Responsibility

ENVIRONMENTAL STEWARDSHIP

In the face of critical global challenges, such as pollution, resource scarcity and climate change, we are actively committed to making a difference. Over the past few years, we have taken a proactive stance toward environmental issues, consistently evolving our approach to enhance our initiatives and increase corporate oversight across our operating units. Our Board plays a pivotal role by overseeing our sustainability and risk management strategy, including our environmental initiatives. Our operations and facilities are subject to many federal, state, local and foreign environmental laws and regulations. We proactively monitor relevant environmental laws and regulations that impact or have the potential to affect our business, including our operating units.

Our corporate-wide environmental policy serves as our guiding framework for addressing critical environmental issues, such as energy consumption, GHG emissions management, water conservation, energy efficiency and management of waste and hazardous materials. In 2023, we continued to prioritize initiatives aimed at reducing our energy consumption and GHG emissions. We have an established a science-aligned GHG emission target to reduce our absolute Scope 1 and

Scope 2 GHG emissions by at least 50% by 2031. Looking ahead, we plan to continue focusing on energy-efficient solutions, green power procurement and other environmental initiatives, prioritizing technological feasibility, economic viability and industry best practices.

As part of their regular business operations, our operating units have consistently integrated sustainability initiatives into their productivity decisions, a commitment that has become more pronounced as we advance toward our GHG emission reduction goal. Additionally, TransDigm has made substantial investments in green projects across our operating units, with a particular focus on increasing energy efficiency. Recent operating unit and TransDigm-funded projects include solar panel installations, LED lighting upgrades, HVAC system replacements and other energy conservation upgrades. TransDigm is fully committed to assisting our operating units as they work to reduce their GHG emissions and minimize their environmental footprints. Looking into 2024, multiple operating units have energy conservation projects planned or already in the works.

ACHIEVEMENTS AND PROGRESS MADE IN 2023

- ✓ **COLLECTED AND MEASURED COMPLETE GHG INVENTORY** of our Scope 1 and Scope 2 emissions for FY 2023
- ✓ **IDENTIFIED POTENTIAL ENERGY REDUCTION ACTIONS** that local management teams can implement to reduce GHG emissions
- ✓ **CONTINUED TO IDENTIFY AND UNDERSTAND PATHWAYS** to achieve our GHG emission reduction goal

- ✓ **REMAINED COMMITTED TO 50% GHG EMISSION REDUCTION GOAL** for Scope 1 and Scope 2 by 2031
- ✓ **TRANSDIGM OPERATING UNITS WORKED** to evaluate and/or implement actions to reduce GHG emissions

While we are pleased with what we have done so far, we are excited to continue this journey of reducing our carbon footprint and taking the steps to meet our **50% GHG EMISSION REDUCTION GOAL** for Scope 1 and Scope 2 by 2031.

Highlighting Green Initiatives at our Operating Units

SMARTSKIM COOLANT SKIMMER



Hartwell has implemented a SmartSkim Coolant Recycling System to support decreased hazardous waste coolant disposal across its manufacturing facilities. Along with \$60,000 in annual savings, this project reduces both coolant consumption and water usage by 50% annually. This will result in a 40,000-gallon reduction in disposed waste coolant and 20,000-gallon reduction in water consumption over five years.

ROOFTOP SOLAR PANEL SYSTEM



In support of sustainability initiatives, IrvinGQ invested approximately \$625,000 in a 410kW rooftop solar panel system comprising 900 solar panels. The solar panel system went live in 2023. This renewable energy system saves approximately 90 metric tons of CO₂ emissions annually and approximately \$146,000 per year on electrical costs.

SUSTAINABILITY INITIATIVES IN 2024



During 2024, Kirkhill has multiple projects planned to support sustainability initiatives. To reduce GHG emissions, Kirkhill plans to invest over \$3.5 million in a solar panel car port, reduction of dry ice usage and replacement of a natural gas oven with an electrical oven. Across these initiatives, Kirkhill will save approximately 1,250 metric tons of CO₂ emissions annually.

Additionally in 2024, Kirkhill will invest approximately \$85,000 in a tower and boiler water chemical treatment system that promotes internal water recycling. The estimated water reduction from the implementation of this system is 4.7 million gallons annually.

856kW AC SOLAR ELECTRIC GENERATION SYSTEM



Armtec is currently in the process of installing an 856kW AC Solar Electric generation system. This system is expected to come online in late 2024. The system will be split, with 356kW of the generation from panels mounted on carport shade structures and the remaining 500kW from a ground-mounted structure.

In the first year, this system is expected to generate approximately 1,801 MWh of power and reduce GHG emissions by approximately 1,275 metric tons of CO₂. Capital investment for the project is approximately \$3 million. Armtec expects to save approximately \$250,000 per year on electrical costs.

ROOFTOP SOLAR PANEL ARRAY AND BATTERY STORAGE SYSTEM



In support of sustainability initiatives, TA Aerospace invested approximately \$2.2 million on a 495kW rooftop solar panel array and battery storage system. The solar panel array became operational in 2023 and the battery storage system will come online during 2024. This renewable energy system generates 34% of TA's annual electricity usage and saves approximately 372 metric tons of CO₂ emissions annually.



GHG EMISSIONS AND ENERGY USE

We are dedicated to lowering our GHG emissions and conserving energy, as exemplified by our ambitious GHG emission target—a 50% absolute reduction in Scope 1 and Scope 2 GHG emissions by 2031. Our manufacturing processes primarily involve light manufacturing and assembly, with limited heavy manufacturing. Additionally, we predominantly utilize commercial shipping services rather than maintaining a fleet of company-owned vehicles for product distribution. Given our global customer base and the nature of our products, which often entail small shipping volumes, our Scope 1 and Scope 2 emissions remain relatively low.

In FY 2023, our combined Scope 1 and Scope 2 GHG emissions decreased by about 6% as compared to our revised FY 2019 baseline as described below. The majority of our GHG emissions result from electricity consumption and the combustion of natural gas. We continue to refine our approach and make corrections as needed to ensure consistency and accuracy across our metrics. For additional information about our 2023 GHG emission performance, see p. [32](#).

To measure and report our GHG emissions, we conduct an annual enterprise-wide GHG emission inventory, using FY 2019 as the base year. Currently, our inventory includes our direct emissions (Scope 1) and indirect emissions associated with the consumption of purchased electricity (Scope 2). Our inventory is aligned with the GHG Protocol's Corporate Accounting and Reporting Standard and associated guidance ("the GHG Protocol"), the most widely used voluntary carbon accounting and reporting framework for corporations. In FY 2023, we acquired one new operating unit. This structural change represented a revision of approximately 6% to our historical emission profile, above the 5% threshold set in our inventory management plan ("IMP") to restate our baseline emissions inventory. We also reassessed the baseline water usage to maintain consistency and included the same mix of businesses across all measurements in Table 1, Table 2 and the supplemental graphics.

Our GHG management program continues to grow and evolve, as we aim to further align it with the GHG Protocol's best practices. To support our GHG emissions inventory development, we have a GHG IMP (developed in 2021), which documents the foundation of our GHG management program and outlines the accounting principles we used in our GHG inventory development. We are utilizing the IMP to guide the further development of a GHG management program that will be used to inform public reporting, aid in our participation in mandatory and voluntary GHG programs, manage risks and identify GHG reduction opportunities.

COMPANY-WIDE EFFORTS TO REDUCE ENERGY USAGE



USE OF RENEWABLE ENERGY SOURCES

Including hydropower, solar, nuclear and wind power



SHUTDOWN PROCEDURES FOR PORTIONS OF FACILITIES IN LOW OCCUPANCY OR USAGE AREAS

Along with reducing number of work shifts



LED LIGHTS OR MOTION SENSING LIGHTS



HIGHER EFFICIENCY HEATING AND/OR AIR CONDITIONING UNITS

Many of our facilities have replaced heating and/or air conditioning units with higher efficiency units or installed air compressor systems, as well as energy efficient manufacturing equipment



ENERGY AUDITS

to identify opportunities to reduce energy consumption



ENERGY EFFICIENT BUILDING UPGRADES

Including energy efficient windows, tinted windows, skylights, stucco coatings, improved insulation and/or programmable thermostats to reduce heating and cooling costs

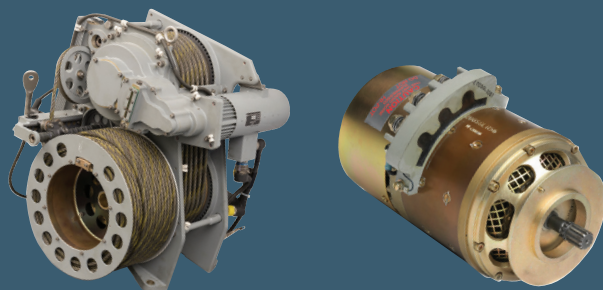
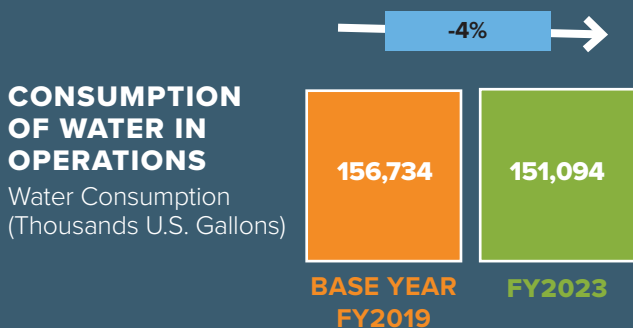
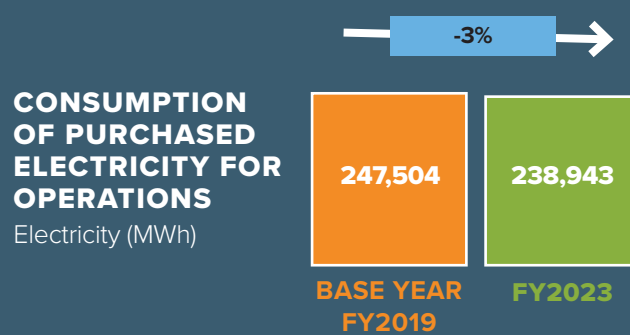
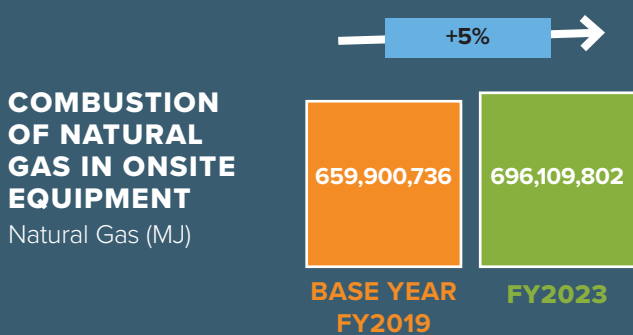
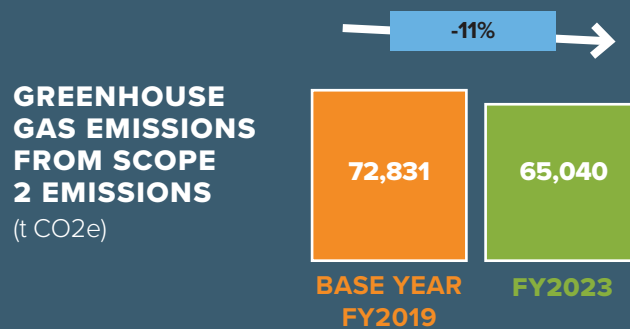
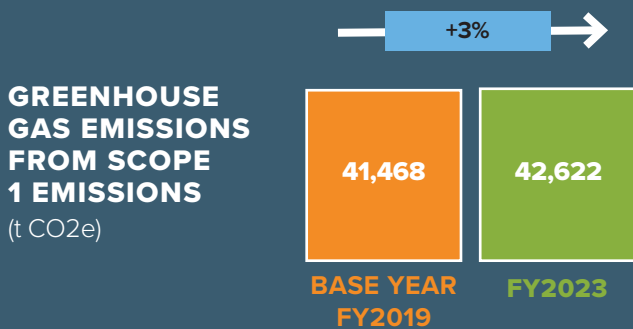
SUMMARY TABLES AND FIGURES

TABLE 1: TRANSDIGM ENERGY AND WATER CONSUMPTION SUMMARY

	NATURAL GAS		ELECTRICITY		WATER
	Energy (MJ)	GHG (t CO2e)	Energy (MWh)	GHG (t CO2e)	Usage (thousand gallons)
Base Year (FY2019)	659,900,736	33,221	247,504	72,831	156,734
FY2023	696,109,802	35,044	238,943	65,040	151,094

TABLE 2: TRANSDIGM SCOPE 1 AND SCOPE 2 GREENHOUSE GAS EMISSIONS

	SCOPE 1	SCOPE 2	SCOPE 1 AND 2
	t CO2e	t CO2e	t CO2e
Base Year (FY2019)	41,468	72,831	114,299
FY2023	42,622	65,040	107,662



COMPANY EFFORTS TO REDUCE WASTE AND WATER USAGE



REDUCE WASTE THROUGH RECYCLING

including recycling metal, paper, cardboard, plastic, used batteries and used oil



MANAGE AND REDUCE WASTE STREAMS

including waste reduction programs and using more environmentally friendly compounds in manufacturing processes



SEPARATE OIL AND WATER TO ELIMINATE OIL WASTE



USE LOW-PHOSPHORUS DETERGENT TO WASH HARDWARE



DEPLOY ACTIVATED CARBON FILTRATION IN VENTILATION SYSTEMS

to reduce liquid and gas emissions



IMPLEMENT A DUST FILTRATION SYSTEM



WATER REDUCTION PROGRAMS

to aid in water conservation efforts

WATER AND WASTE MANAGEMENT

Our goal is to be conscientious and responsible stewards of water resources while managing waste from our operations in an environmentally sound manner. In 2023, we completed a water consumption inventory by undertaking a comprehensive data collection and validation process using FY 2019 as our base year. In FY 2023, we consumed nearly 151,100 thousand U.S. gallons of water, representing a 4% decrease compared to our FY 2019 baseline. We continue to refine our approach and make corrections as needed to ensure consistency and accuracy across our metrics. We are dedicated to transparency in our process.

In 2021, as previously disclosed, we assessed our water use by location using the World Resources Institute Aqueduct Water Risk Atlas, a comprehensive and publicly available global database and interactive mapping tool that helps companies evaluate their exposure to external water risks, including physical risks and regulatory and reputational risks, and contextualize water use information. During this assessment, we primarily emphasized baseline water stress, which serves as a gauge of water scarcity. We found that our highest water-consuming operating units were closely linked to regions characterized by elevated baseline water stress levels, reinforcing our commitment to implementing water efficiency initiatives in these areas.

Through the assessment, we also determined that our primary water consumption activities revolve around facility utilities, such as boilers and cooling towers, as well as employee-related usage in restrooms and kitchens. Secondary water usage activities include specific process water needs, such as those involving steam and rinse tanks, along with landscape irrigation. Notably, the water efficiency projects we have supported across our operating units over the years have resulted in realized improvements in water efficiency.

Examples of Operating Units' Water Efficiency Projects

- **Switching to a closed-loop chiller system**
- **Employee restroom retrofits (low/no flow lavatories)**
- **Process rinse tanks that universally include recirculation/reuse**
- **Ongoing/planned boiler upgrades**
- **Xeriscaping to reduce/eliminate landscape irrigation and variable-frequency drive feed-water pumps**

Based on this assessment, we see limited possibilities for further substantial and economically viable enhancements in water efficiency. As such, as of now, we have not set specific quantitative or time-bound targets. However, our commitment to advancing water efficiency and best practices for water conservation remains steadfast. Our plan is to sustain the annual collection of water consumption data and to assess sites with the highest water consumption and those located in regions with elevated water stress. This approach will guide our ongoing efforts.

Appendix

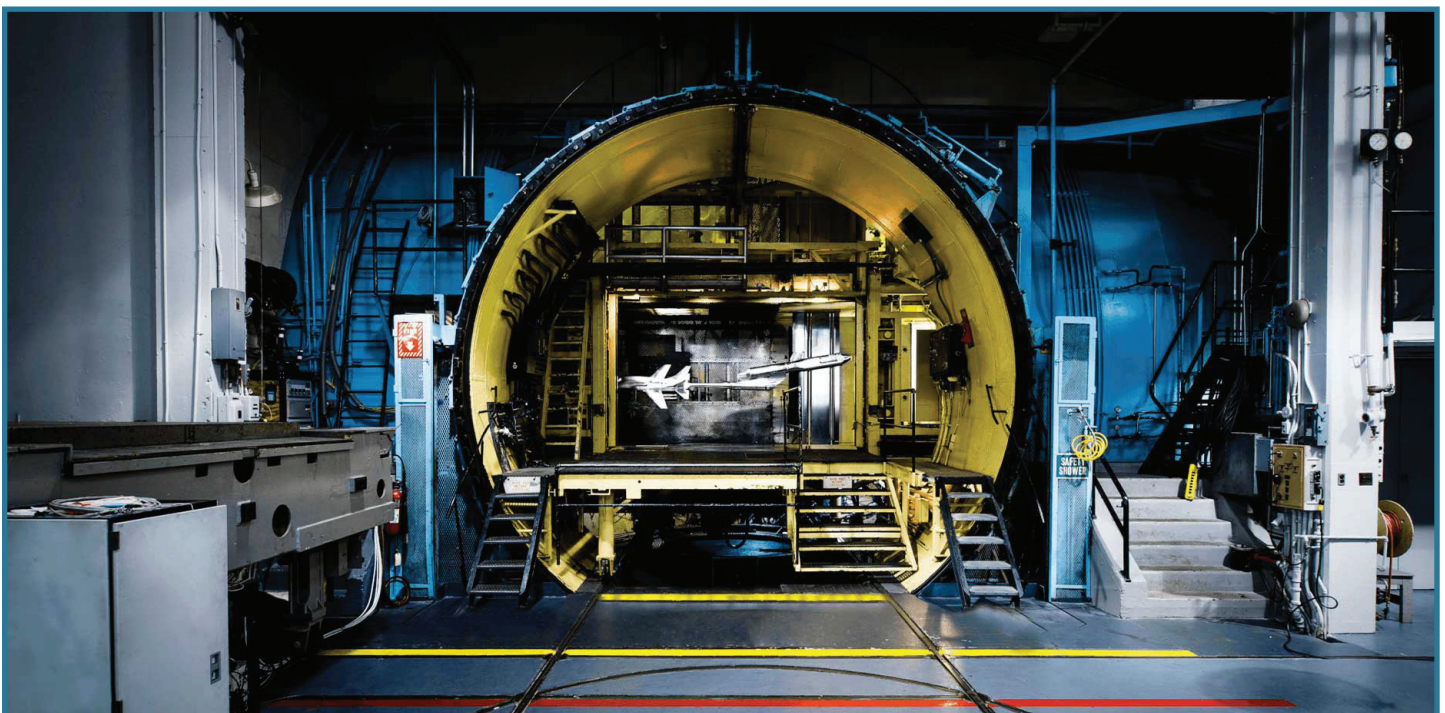
ABOUT THIS REPORT

Published in February 2024, the TransDigm 2023 Stakeholder Report outlines the Company's performance in the areas of ESG. The information provided in this document reflects the global activities and initiatives undertaken by TransDigm in FY 2023 (October 1, 2022–September 30, 2023). This report has been prepared in consideration of the Sustainability Accounting Standards Board ("SASB") Sustainability Disclosure Topics and Accounting Metrics for the Aerospace & Defense sector. This report has been reviewed and approved by TransDigm's CEO and President, co-Chief Operating Officers, General Counsel and Chief Compliance Officer and Chief Financial Officer.

Statements in this Report that are not historical facts are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "may," "will," "should," "expect," "intend," "plan," "predict," "anticipate," "estimate" or "continue" and other terms with similar meanings may identify forward-looking statements. All forward-looking statements involve risks and uncertainties that could cause TransDigm's actual results to differ materially from those expressed or implied in any forward-looking statements made by or on behalf of TransDigm. These risks and uncertainties include but are not limited to: the sensitivity of TransDigm's business to the number of flight hours that TransDigm's customers' planes spend aloft and its customers' profitability, both of which are affected by general economic conditions; supply chain constraints; increases in raw material costs, taxes and labor costs that cannot be recovered in product pricing;

failure to complete or successfully integrate acquisitions; TransDigm's indebtedness; current and future geopolitical or other worldwide events, including, without limitation, wars or conflicts and public health crises; cybersecurity threats; risks related to the transition or physical impacts of climate change and other natural disasters or meeting sustainability-related voluntary goals or regulatory requirements; TransDigm's reliance on certain customers; the U.S. defense budget and risks associated with being a government supplier including government audits and investigations; failure to maintain government or industry approvals; risks related to changes in laws and regulations, including increases in compliance costs; potential environmental liabilities; liabilities arising in connection with litigation; risks and costs associated with TransDigm's international sales and operations; and other factors. Further information regarding the important factors that could cause actual results to differ materially from projected results can be found in TransDigm's most recent Annual Report on Form 10-K and other reports that TransDigm Group or its subsidiaries have filed with the SEC. You are cautioned not to place undue reliance on our forward-looking statements. TransDigm assumes no obligation to, and expressly disclaims any obligation to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For questions or more information, please contact us at 216-706-2945 or IR@TransDigm.com.



OPERATING UNITS*



CALIFORNIA

Adams Rite Aerospace designs and manufactures a wide variety of custom-engineered components and systems, including cockpit security systems, oxygen systems, fluid controls and water systems, flight control, interior and exterior hardware and door latching systems.



CALIFORNIA

AdelWiggins Group designs, manufactures and sells an extensive line of high-quality, custom designed products, primarily aerospace-related fluid line components such as flexible connectors, quick disconnects, clamps, heaters and hoses, and refueling systems.



OHIO

AeroControlex Group designs and produces hydraulic, fuel, lubrication and coolant pumps. They also produce mechanical actuators and water disinfection systems.



OHIO

Aero Fluid Products produces aircraft fuel systems hydraulics and lubrication systems, electromechanical, aircraft hardware, potable water and waste systems.



FLORIDA

Aerosonic produces air data systems, standby displays, digital and mechanical standby instruments, sensors and probes.



NEW JERSEY

Airborne Systems creates and manufactures best-in-class parachutes for the military, GPS precision guided cargo delivery systems, low cost cargo delivery parachutes, parachute releases; personnel and cargo systems, rescue and survival equipment, space and air vehicle recovery systems and deceleration systems for high-performance aircrafts.



ARIZONA

AmSafe Passenger Restraints produces safety restraint products, including aviation passenger seatbelt and airbag restraint systems, for the aerospace and defense industries.



BRIDPORT, UNITED KINGDOM

AmSafe Bridport designs and manufactures highly engineered textile products, specialising in airframe restraints and barrier solutions, cargo handling and movement systems and RPG protection for armoured vehicles.



NEW YORK

Arkwin Industries designs, tests, manufactures and supports precision hydraulic and fuel system components for civil and military fixed-wing aircraft, helicopters, spacecraft, turbine engines, and other special applications.



CALIFORNIA

Armtec Defense Technologies develops and manufactures state-of-the-art ordnance products, infrared decoy flares, radar countermeasure chaff, and a variety of other pyrotechnic devices.



BOURGES, FRANCE

Auxitrol Weston supplies highly reliable temperature, speed and pressure engine and aircraft sensors to OEMs and airlines in commercial, military, aero derivative and industrial markets.

*Location listed is main or headquarter facility.

	NEW JERSEY	Avionic Instruments produces and supplies power conversion equipment and supplies lightweight, qualified power electronics for military, commercial and aerospace applications.
	WASHINGTON	AvtechTyee Corporation designs, develops and manufactures electronic systems for the aerospace industry, with a focus in five product groups: Communications, Power Lighting and Control, Electro-Mechanical, Switches and Connectors and Indicators.
	NEW JERSEY	Breeze-Eastern designs rescue hoists, winches, cargo hooks and weapons handling systems that military and civilian operators need to complete their missions efficiently, effectively and safely.
	ARIZONA	Canyon AeroConnect is the global leader in avionic-standard aircraft radio and systems for aircraft communication equipment for Air Ambulance, Law Enforcement, SAR, EMS, Electronic News Gathering, Military and Marine applications.
	NEW YORK	Calspan is an independent engineering, testing, evaluation and research service company that provides its customers with knowledgeable staff, unrivaled processes, unsurpassed quality, proven facilities and reliable equipment. Calspan partners with global innovators in many industries, including aerospace, automotive, commercial transportation and motorsports.
	FLORIDA	CDA InterCorp designs and manufactures highly engineered, extremely reliable, Controllable Drive Actuators for technologically advanced control systems.
	SOUTH CAROLINA	Champion Aerospace manufactures performance proven excilers, leads and igniters for turbine engines and spark plugs, fillers, magnets and harnesses for piston engines.
	MARLOW, UNITED KINGDOM	Chelton LTD supplies highly resilient, totally dependable communications, navigation and Electronic Warfare equipment for aerospace and defence. Its solutions include antenna systems, anti-jam GPS, radio, vehicle intercoms, air traffic management systems and electronic warfare.
	MONTREAL, CANADA	CMC Electronics designs and manufactures cockpit systems integration, avionics and display solutions for the military and commercial aviation markets.
	STILLINGTON, UNITED KINGDOM	Darchem Engineering LTD produces insulation systems, aerostructures, honeycomb systems, nuclear systems, thermal protection and special fabrications.
	MONTREAL, CANADA	DART Aerospace provides industry-leading design, manufacturing and market-certified solutions for the helicopter and aerospace industry.
	NEW YORK	Data Device Corporation designs and manufactures high-reliability Connectivity, Power and Control solutions (Data Networking; Power Distribution, Control and Conversion; Motor Control and Motion Feedback) for aerospace, defense and industrial applications.

*Location listed is main or headquarter facility.

	<p>KANSAS</p>	<p>Electromech Technologies specializes in the manufacture and overhaul of AC/DC motors, actuators, blowers and position feedback devices for the aerospace, military and industrial markets.</p>
	<p>INGOLSTADT, GERMANY</p>	<p>Elektro-Metal Export produces electromechanical actuators as well as entire actuation systems complete with control and power units, aircraft wiring harnesses and other wiring equipment.</p>
	<p>FLORIDA</p>	<p>Extant Aerospace manufactures highly reliable, mission critical aerospace electronics and avionics life cycle sustainment systems and subassemblies.</p>
	<p>CONNECTICUT</p>	<p>HarcoSemco designs and fabricates temperature sensors, thermocouple systems, interconnect cable-harness assemblies, probes and sensors.</p>
	<p>CALIFORNIA</p>	<p>Hartwell Corporation produces access latches, latching systems and complex door assemblies.</p>
	<p>WASHINGTON</p>	<p>Hytek Finishes supplies specialized metal finishing, non-destructive testing, plating, anodizing and organic coating services.</p>
	<p>BRIDGEND, UNITED KINGDOM</p>	<p>IrvinGQ designs and manufactures products and services including Aerial Delivery Solutions, Personnel Parachutes, Rescue, Safety and Survival Equipment and Naval Decoy Systems.</p>
	<p>CALIFORNIA</p>	<p>Kirkhill Inc.'s elastomer-based product offerings include radar absorbing material (RAM), ablative materials, conductive elastomers, electro static discharge (ESD) material, calendered, extruded and molded solid and sponge specialty rubber products.</p>
	<p>WASHINGTON</p>	<p>Korry Electronics produces superior human-machine interface products offering balanced lighting solutions for all cockpit needs.</p>
	<p>CALIFORNIA</p>	<p>Leach International is the world's leading provider of electromechanical and solid state switch gear for aircraft, defense, space and rail applications. Leach International leverages its design, engineering and manufacturing expertise to create solutions oriented equipment for power distribution and control.</p>
	<p>SARRALBE, FRANCE</p>	<p>Leach International Europe manufactures power switching solutions.</p>
	<p>TEXAS</p>	<p>MarathonNorco Aerospace designs and manufactures Nickel-cadmium batteries and chargers, engine nacelle hold-open rods and a range of mechanical couplings and connectors.</p>
	<p>CALIFORNIA</p>	<p>Mason Controls manufactures rotary switches, potentiometers, optical encoders, cursor control devices, ground vehicle controls, as well as electromechanical fixed wing and rotary flight controls.</p>

*Location listed is main or headquarter facility.

PALOMAR	CALIFORNIA	Palomar produces highly reliable secure intercommunications systems for airborne and naval military applications to the world's armed forces. This includes switching and crew-position units for airborne, shipboard, unmanned and ground applications for multi-mission platforms.
	WASHINGTON	Pexco Aerospace produces extruded plastic interior parts used in cabin structures and lighting as well as flooring trim and finish.
	CALIFORNIA	PneuDratics supplies the aerospace industry with high quality pneumatic and hydraulic system components such as actuators, manifolds, reservoirs, solenoid valves, utility valves and lavatory valves.
	NEW YORK	Power Device Corporation designs and manufacturers high-reliability Connectivity, Power and Control solutions (Data Networking; Power Distribution, Control and Conversion; Motor Control and Motion Feedback) for aerospace, defense and industrial applications.
SCHNELLER	OHIO	Schneller is the leading supplier of interior decorative and non-textile flooring for all commercial platforms.
	INDIANA	Shield Restraint Systems produces specialty restraint components for on- and off- roadvehicles.
	CALIFORNIA	Skurka Aerospace designs and manufactures motors, motion controllers, actuators, speed pickup transducers, starters, starter generators, power generation, distribution, conversion and related controllers.
	CALIFORNIA	TA Aerospace designs and manufactures metallic and elastomer clamping systems, molded grommets and thermal fire barrier insulation.
	MIESBACH, GERMANY	Telair International is the world's leading supplier of containerized cargo handling systems and unit load devices.
	NORTH CAROLINA	US Cargo Systems designs and develops Cargo Handling and Aerial Delivery System technologies.
	NEW JERSEY	Whippany Actuation Systems designs, manufactures and services custom electromechanical actuation solutions for commercial and military applications.
	NEW YORK	Young and Franklin designs and manufactures precision controls for the land-based turbine and oil industries. Tactair provides hydraulic and pneumatic valves and actuators for aerospace applications.

*Location listed is main or headquarter facility.



RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO EBITDA AND EBITDA AS DEFINED

(in millions)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net sales	\$ 52	\$ 57	\$ 63	\$ 78	\$ 111	\$ 131	\$ 151	\$ 201	\$ 249	\$ 293	\$ 301	\$ 374	\$ 435	\$ 593	\$ 714	\$ 762	\$ 828	\$ 1,206
Income (loss) from continuing operations	\$ (5)	\$ -	\$ 1	\$ 3	\$ 14	\$ (17)	\$ 11	\$ 14	\$ 31	\$ (76)	\$ 14	\$ 35	\$ 25	\$ 89	\$ 133	\$ 163	\$ 163	\$ 152
Depreciation and amortization expense	7	7	7	6	7	6	7	9	13	10	18	17	16	24	25	28	30	61
Interest expense, net	5	5	5	3	3	23	28	32	37	43	75	80	77	92	93	84	112	185
Income tax provision (benefit)	(2)	-	2	5	13	(2)	8	9	17	(45)	6	23	16	53	74	88	88	77
Warrant put value adjustment	1	1	2	5	7	-	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	6	13	17	24	44	10	54	64	98	(68)	113	155	134	258	325	363	393	475
Merger expense	-	-	-	-	-	40	-	-	-	176	-	-	-	-	-	-	-	-
Refinancing costs	-	-	-	-	-	-	-	-	-	-	-	-	49	-	-	-	-	72
Acquisition and divestiture transaction-related costs	4	-	-	1	-	1	-	8	-	15	20	2	1	9	2	6	12	30
Non-cash compensation and deferred compensation costs	-	-	-	-	-	-	-	-	-	1	6	7	1	6	6	6	7	13
One-time special bonus	-	-	-	-	-	-	-	-	-	-	-	-	6	-	-	-	-	-
COVID-19 pandemic restructuring costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain on sale of businesses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	3	2	-	-	-
Public offering costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA As Defined	\$ 10	\$ 13	\$ 17	\$ 25	\$ 44	\$ 51	\$ 54	\$ 72	\$ 98	\$ 124	\$ 139	\$ 164	\$ 194	\$ 275	\$ 333	\$ 375	\$ 412	\$ 500
EBITDA As Defined Margin	19.2%	22.8%	27.0%	32.1%	39.6%	38.9%	35.8%	35.8%	39.4%	42.3%	46.2%	43.9%	44.6%	46.4%	46.6%	49.2%	49.8%	48.9%

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net sales	\$ 1,700	\$ 1,924	\$ 2,373	\$ 2,707	\$ 3,171	\$ 3,504	\$ 3,811	\$ 5,223	\$ 5,103	\$ 4,798	\$ 5,429	\$ 6,585
Income (loss) from continuing operations	\$ 325	\$ 303	\$ 307	\$ 447	\$ 586	\$ 629	\$ 962	\$ 841	\$ 653	\$ 681	\$ 866	\$ 1,299
Depreciation and amortization expense	68	73	96	94	122	141	129	226	283	253	253	268
Interest expense, net	212	271	348	419	484	602	663	859	1,029	1,059	1,076	1,164
Income tax provision (benefit)	163	146	142	189	182	209	24	222	87	34	261	417
Warrant put value adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA	768	793	893	1,149	1,374	1,581	1,778	2,148	2,052	2,027	2,456	3,148
Merger expense	-	-	-	-	-	-	-	-	-	-	-	-
Refinancing costs	-	30	132	18	16	40	6	3	28	37	1	56
Acquisition and divestiture transaction-related costs	19	26	21	37	57	31	29	169	31	35	18	18
Non-cash compensation and deferred compensation costs	22	49	26	32	48	46	59	93	93	130	184	157
One-time special bonus	-	-	-	-	-	-	-	-	-	-	-	-
COVID-19 pandemic restructuring costs	-	-	-	-	-	-	-	-	54	40	-	-
Gain on sale of businesses	-	-	-	-	-	-	-	-	-	(69)	(7)	-
Other	-	2	1	(2)	-	13	5	6	20	(11)	(6)	16
Public offering costs	-	-	-	-	-	-	-	-	-	-	-	-
EBITDA As Defined	\$ 809	\$ 900	\$ 1,073	\$ 1,234	\$ 1,495	\$ 1,711	\$ 1,877	\$ 2,415	\$ 2,278	\$ 2,189	\$ 2,646	\$ 3,395
EBITDA As Defined Margin	47.6%	46.8%	45.2%	45.6%	47.1%	48.8%	49.3%	46.3%	44.6%	45.6%	48.7%	51.6%

RECONCILIATION OF INCOME FROM CONTINUING OPERATIONS TO ADJUSTED NET INCOME AND ADJUSTED EARNINGS PER SHARE

(in millions)

	2019	2020	2021	2022	2023
Income from continuing operations	\$ 841	\$ 653	\$ 681	\$ 866	\$ 1,299
Gross adjustments from EBITDA to EBITDA as Defined	271	226	162	190	247
Purchase accounting backlog amortization	38	53	11	7	4
Tax adjustment	(122)	(103)	(146)	(65)	(73)
Adjusted net income	\$ 1,028	\$ 829	\$ 708	\$ 998	\$ 1,477
Weighted-average shares outstanding under the two-class method	56.3	57.3	58.4	58.2	57.2
Adjusted earnings per share	\$ 18.27	\$ 14.47	\$ 12.13	\$ 17.14	\$ 25.84



SASB REFERENCE TABLE

Aerospace & Defence		
SASB Code	Metric	TransDigm 2023 Disclosure
Energy Management		
RT-AE-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	(1) 1,556,305 GJ, (2) This data is unavailable at this time and (3) This data is unavailable at this time.
Hazardous Waste Management		
RT-AE-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	This data is unavailable at this time.
RT-AE-150a.2	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	This data is unavailable at this time.
Data Security		
RT-AE-230a.1	(1) Number of data breaches, (2) percentage involving confidential information	Breaches deemed material to the company and associated corrective actions are included in TransDigm's 10-k .
RT-AE-230a.2	Description of approach to identifying and addressing data security risks in (1) entity operations and (2) products	Data and Information Security, p. 17
Product Safety		
RT-AE-250a.1	(1) Number of recalls issued, (2) total units recalled	TransDigm considers this information confidential.
RT-AE-250a.2	(1) Number of counterfeit parts detected, (2) percentage avoided	TransDigm considers this information confidential.
RT-AE-250a.3	(1) Number of Airworthiness Directives received, (2) total units affected	TransDigm considers this information confidential.
RT-AE-250a.4	Total amount of monetary losses as a result of legal proceedings associated with product safety	TransDigm 2023 10-k, p. 21
Fuel Economy & Emissions in Use-phase		
RT-AE-410a.1	Revenue from alternative energy-related products	This data is unavailable at this time.
RT-AE-410a.2	Description of approach and discussion of strategy to address fuel economy and greenhouse gas (GHG) emissions of products	Green Product Highlights, p. 10 TransDigm works directly with its customers to provide them with highly-engineered, high-quality products that meet each customer's unique specifications. Customer needs and requests vary by product but may include making a product more efficient or more environmentally friendly, which could promote fuel economy and limit GHG emissions.
Materials Sourcing		
RT-AE-440a.1	Description of the management of risks associated with the use of critical materials	Responsible Supply Chain, p. 18 TransDigm Conflict Minerals Webpage
Business Ethics		
RT-AE-510a.1	Total amount of monetary losses as a result of legal proceedings associated with incidents of corruption, bribery, or illicit international trade	Losses deemed material to the company are included in TransDigm's 2023 10-k, p. 21 .
RT-AE-510a.2	Revenue from countries ranked in the 'E' or 'F' Band of Transparency International's Government Defence AntiCorruption Index	This data is unavailable at this time.
RT-AE-510a.3	Discussion of processes to manage business ethics risks throughout the value chain	Business Ethics, p. 16 Responsible Supply Chain, p. 18 Code of Business Conduct & Ethics
Activity Metrics		
RT-AE-000.A	Production by reportable segment	This data is unavailable at this time.
RT-AE-000.B	Number of employees	15,500

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