

Emissions and other environmental disclosures

Table 1 shows the GHG emissions for the Group, broken down by Scope 1, Scope 2 and some Scope 3 emissions.

Table 1: Total Melrose Group GHG emissions for the period 1 January 2021 – 31 December 2021 (tonnes CO₂e⁽¹⁾ unless stated)

	2021 ⁽²⁾	2020 ⁽³⁾⁽⁴⁾	2019 ⁽⁵⁾	Change (2021/2020)
Scope 1: Direct GHG emissions				
Combustion of fuel and operation of facilities ⁽⁶⁾	168,315	185,210	223,847	-9%
Scope 2: Indirect GHG emissions				
UK electricity	15,313	17,614	26,909	-13%
Overseas electricity	539,513	631,471	774,569	-15%
Total purchased electricity	554,825	649,085	801,478	-15%
Other purchased energy	220	2,045	3,165	-89%
Total Scope 2 ⁽⁷⁾	555,045	651,130	804,643	-15%
Total Scope 1 and Scope 2 emissions	723,360	836,340	1,028,490	-14%
Company's chosen intensity measurement:				
Emissions reported above normalised tonnes per £1,000 turnover ⁽⁸⁾	0.105	0.096	0.092	9%
Scope 3: Indirect GHG emissions in the value chain				
Business travel ⁽⁹⁾	6,873	-	-	-
Other ⁽¹⁰⁾	71,961	-	-	-
Total Scope 3 emissions	78,835	-	-	-

- (1) CO₂e – carbon dioxide equivalent, this figure includes GHGs in addition to carbon dioxide, as set out in Table 2 below.
(2) The 2021 emissions data does not include Nortek Air Management, Brush or Nortek Control, as they were sold part way through the year. The emissions from these businesses fall below our materiality threshold.
(3) Our 2020 Scope 2 emissions data has been restated.
(4) The 2020 emissions data does not include GKN Wheels & Structures as it was sold part way through that year. The emissions from this business fell below our materiality threshold.
(5) The 2019 emissions data does not include the Walterscheid Powertrain Group as it was sold part way through that year. 2019 was chosen as the base year for the purposes of reporting Group emissions data in this report as it was the first full reporting year that GKN Aerospace, GKN Automotive and GKN Powder Metallurgy were reported as part of the Group.
(6) Our Scope 1 figures include emissions from fuel used on premises, transport emissions from owned or controlled vehicles, losses of refrigerant, and process and fugitive emission.
(7) Our Scope 2 figures include emissions from electricity and heat purchased by the Group's businesses. Scope 2 emissions, and total GHG emissions, are calculated using the location-based method.
(8) The turnover figure used to calculate the intensity ratio does not include any share of revenues from entities in which the Group holds an interest of 50% or less. For 2021, the turnover figure includes continuing businesses only.
(9) Inclusive of business travel and business travel well-to-tank. Rail and vehicle travel was collected from 17% (by revenue) of the Group and air travel was collected from 54% (by revenue) of the Group.
(10) Includes emissions from fuel-related well-to-tank, electricity transmission and distribution losses, and water supply.

Table 2 shows a breakdown of the Group's GHG emissions by type and by where those emissions were incurred. Our Scope 1 and Scope 2 emissions for 2021 encompass methane (CH₄) and nitrous oxide (N₂O). The vast majority of our emissions are from carbon dioxide (CO₂), which is common among most industrial businesses. There have been reductions in all GHG emission types between 2020 and 2021 across the Group. The reductions in SF₆ are attributable to the sale of Brush and the reductions in R134a are attributable to the sale of Nortek Air Management, which were historically responsible for these emissions. Scope 2 N₂O and CH₄ emissions have decreased in line with the general reduction in year-on-year energy usage and a decrease in the emission factors for many countries.

Table 2: Melrose Group GHG emissions by type (CO₂e) for the period 1 January 2021 – 31 December 2021 (tonnes CO₂e⁽¹⁾ unless stated)

	2021			2020 ⁽²⁾			Change in Total (2021/2020)
	UK	Global (excl UK)	Total	UK	Global (excl UK)	Total	
Scope 1⁽³⁾							
CO ₂	9,375	158,051	167,427	9,700	172,178	181,878	-8%
CH ₄	13	210	222	13	227	240	-7%
N ₂ O	6	135	141	6	137	143	-2%
SF ₆	0	0	0	2,075	741	2,816	-100%
R134a	0	0	0	0	59	59	-100%
Total Scope 1 CO₂e	9,394	158,921	168,315	11,794	173,677	185,471	-9%
Scope 2⁽⁴⁾							
CO ₂	15,156	537,980	553,136	17,455	630,886	648,341	-15%
CH ₄	58	281	339	54	451	505	-33%
N ₂ O	99	1,471	1,570	104	2,180	2,284	-31%
Total Scope 2 CO₂e	15,313	539,732	555,045	17,614	633,516	651,130	-15%

- (1) CO₂e – carbon dioxide equivalent, this figure includes GHGs in addition to carbon dioxide.
(2) Our 2020 Scope 2 emissions data has been restated.
(3) Our Scope 1 figures include emissions from fuel used on premises, transport emissions from owned or controlled vehicles, losses of refrigerant, and process and fugitive emission.
(4) Our Scope 2 figures include emissions from electricity and heat purchased by the Group's businesses. Scope 2 emissions, and total GHG emissions, are calculated using the location-based method.

Table 3 is new for 2021 and shows the CO₂ arising from the combustion process associated with biofuels (in this case wood pellets), which have much lower associated emissions than an equivalent energy usage of fossil fuels. The 60% increase in emissions is attributable to an increase in the amount of wood pellets burnt at the sites. This is presented for completeness to demonstrate the Group's efforts to move away from fossil fuels and use net zero fuels where possible. The emissions arising from this process are assumed to be absorbed by the growth of the biofuel source, i.e. the trees used to make the wood pellets.

Table 3: Total Melrose Group GHG emissions outside of Scopes 1, 2 and 3 for the period 1 January 2021 – 31 December 2021 (tonnes CO₂)

Source	2021	2020	Change (2021/2020)
Wood Pellets	12,131	7,587	60%

Table 4 shows the energy consumption by type for the Group, broken down by UK and overseas consumption, in accordance with the requirements of the SECR regulations. The Company's chosen intensity ratio in this regard is megawatts usage ("MWh") per £1,000 of turnover.

Table 4: Melrose Group energy consumption by type for the period 1 January 2021 – 31 December 2021 (MWh unless stated)

Energy type	2021			2020			Change in Total (2021/2020)
	UK	Global (excl UK)	Total	UK	Global (excl UK)	Total	
Natural gas	50,903	787,088	837,991	52,132	809,336	861,468	-3%
LPG	76	37,748	37,824	317	37,716	38,033	-1%
Gas oil	0	4,894	4,894	0	5,669	5,669	-14%
Fuel oil	0	8,998	8,998	0	9,189	9,189	-2%
Diesel	202	8,467	8,669	261	6,809	7,070	23%
Petrol (gasoline)	28	1,594	1,622	13	667	680	139%
Steam	0	15,150	15,150	0	18,819	18,819	-19%
Wood pellets	0	34,719	34,719	0	21,713	21,713	60%
Total non-renewable fuels consumption	51,209	898,658	949,867	52,723	909,918	962,641	-1%
Total renewable electricity consumption	327	25,743	26,070	0	8,052	8,052	224%
Total non-renewable electricity consumption	72,118	1,684,384	1,756,502	75,549	1,864,732	1,940,281	-9%
Total electricity consumption	72,445	1,710,127	1,782,572	75,549	1,872,784	1,948,333	-9%
Total operational energy consumption	123,654	2,608,785	2,732,439	128,272	2,782,702	2,910,974	-6%

Company's chosen intensity measurement:

MWh per £1,000 turnover ⁽¹⁾	0.018	0.379	0.397	0.015	0.318	0.332	19%
--	-------	-------	-------	-------	-------	-------	-----

- (1) The turnover figure used to calculate the intensity ratio does not include any share of revenues from entities in which the Group holds an interest of 50% or less. For 2021, the turnover figure includes continuing businesses only.

Water withdrawal data is presented in Table 5, showing a decrease in 2021 compared to 2020.

Table 5: Melrose Group water withdrawal⁽¹⁾ data for the period 1 January 2021 – 31 December 2021

	2021 ⁽²⁾	2020 ⁽³⁾	Change (2021/2020)
Water withdrawals (m ³) in operation	3,596,002	3,880,393	-8%
Company's chosen intensity measurement:			
m ³ per £1,000 turnover ⁽⁴⁾	0.519	0.443	17%

- (1) For these purposes, water withdrawal is defined as the sum of all water drawn into the boundaries of the organisation (or facility) from all sources for any use over the course of the reporting period.
(2) Water withdrawal data was collected from 100% of sites across the Group in 2021.
(3) Water withdrawal data was collected from 147 sites (93%) across the Group's businesses in 2020. Although a small number of sites did not record their water withdrawal, to give an indication as to size, these sites accounted for less than 3% of the Group's total GHG emissions in 2020, and so these omissions are not material.
(4) The turnover figure used to calculate the intensity ratio does not include any share of revenues from entities in which the Group holds an interest of 50% or less. For 2021, the turnover figure includes continuing businesses only.

Table 6 shows the waste generation data for the Group in 2021, showing an overall increase in the total waste generated compared to 2020. This was partially driven by the reopening of sites following shutdowns caused by the pandemic. Despite the increase in absolute waste weight, there have been significant reductions in the proportion of non-hazardous waste that is incinerated and sent to landfill. Additionally, a larger proportion of waste was being sent to higher waste hierarchy options of recycling and hazardous waste treatment in 2021 compared to 2020.

Table 6: Melrose Group waste generation data for the period 1 January 2021 – 31 December 2021

	2021 ⁽¹⁾	2020 ⁽²⁾	Change (2021/2020)
Weight of total non-hazardous waste (tonnes)	151,900	139,388	16%
Weight of total hazardous waste (tonnes)	10,436	11,087	-6%
Total waste generated (tonnes)	162,336	150,475	8%
Breakdown:			
- Total recycled (tonnes)	141,947	121,912	16%
- Total incineration (tonnes)	5,850	9,103	-36%
- Total landfill (tonnes)	9,175	15,601	-41%
- Hazardous waste disposed through legally approved treatment routes (tonnes) ⁽³⁾	5,394	3,859	40%

- (1) Waste generation data was collected from 100% of sites across the Group in 2021.
(2) Waste generation data was collected from 136 sites (86%) across the Group in 2020. Although a small number of sites did not record their waste generation, to give an indication as to size, these sites accounted for less than 3% of the Group's total GHG emissions in 2020, and so these omissions are not material.
(3) This figure was calculated on the basis of the guidance published by the EU (see source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02000D0532-20150601>), which includes waste from physical and chemical processing of metals that are hazardous to humans and wildlife, oil spills and waste materials containing oil, wastes containing mercury and heavy metals, waste paint, varnish and coatings containing organic solvents and other hazardous substances.

Melrose Group disclosures in alignment with the recommendations of the Taskforce on Climate-related Financial Disclosures (“TCFD”)

Taskforce on Climate-related Financial Disclosures (“TCFD”) Index

Governance

a) Describe the board's oversight of climate-related risks and opportunities.

The Chairman and the Melrose Board oversee and have ultimate responsibility for Melrose's sustainability initiatives, disclosures, and reporting. This includes, but is not limited to, climate risks and opportunities. The Board has responsibility for approving the sustainability strategy, sustainability report and sustainability targets, which also includes climate-related targets. Details of how the Board delegates risk management authority across the divisions is described in the Risk management section of our 2021 Annual Report on pages 40 and 41.

The Board receives regular training, at least annually, on sustainability issues that impact our businesses, including climate change. The Board also receives quarterly updates on key sustainability and climate-related issues that impact the sectors in which the Group's businesses operate, and on the specific measures that need to be implemented to drive improved climate-related performance of the businesses. Please see page 47 for details of how sustainability and climate-related issues fit into wider Melrose governance and Board responsibilities. Our Section 172 statement on pages 50 to 53 of our 2021 Annual Report describes in more detail the Board's decision-making in 2021, including in relation to sustainability and climate-related matters.

b) Describe management's role in assessing and managing climate-related risks and opportunities.

The Melrose senior management team oversees the Group sustainability function. This responsibility includes the publication of this Sustainability Report and the setting of climate-related targets in line with the TCFD recommendations across the businesses in 2021. We integrate the management of sustainability and climate-related issues across our existing governance and committee structures. Please see page 47 for a diagram that outlines how climate is integrated into our governance and committee structures.

We run a decentralised model and overseeing climate-related issues and implementing relevant actions and initiatives is most effective at the individual business level, where most impact can be had. Each business's CEO and executive management team are accountable for climate change and sustainability. Throughout the year, the Melrose Group sustainability function has engaged with the CEOs and other relevant senior leaders of each business to set expectations and to ensure there is appropriate oversight of the impacts of climate and other material sustainability risks and opportunities. Please see the Divisional reviews on pages 12 to 29 of our 2021 Annual Report and pages 10 to 23 of this Sustainability Report for detail of how the divisions are engaging on climate change.

Strategy

a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

In alignment with our “Buy, Improve, Sell” business model, we view managing climate-related risks and opportunities with the aim of protecting and enhancing both the value of our businesses and their impact on the world. We have considered climate risk under short, medium, and long-term time horizons that reflect the investment and value creation cycle of our “Buy, Improve, Sell” model. We have included a description of the climate-related risks identified as part of our qualitative climate scenario analysis on pages 22 to 23. The time horizons used for the scenario analysis were as follows:

- Short-term: until 2023 – aligned with Melrose investment and immediate improvement phases.
- Medium-term: until 2026 – aligned with Melrose ownership, engagement and “Improve” period and beyond.
- Long-term: until 2040 – expected to align with the period beyond Melrose ownership for our current businesses.

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

In 2021 we invested over £153 million across our businesses on climate-related research and development, for example, to develop products that help their customers to improve their energy efficiency and to reduce their GHG emissions compared with conventional technologies. Please see pages 10 to 20 for further examples. We have described how sustainability and climate-related issues are integrated into our broader strategy in the description of our strategy and business model on pages 4 to 5.

Climate change has a direct impact on product strategy, development, and financial planning across all of our businesses. Our businesses work closely with their customers, partners, and world-class research institutions to develop market-leading, cost-effective innovations and deliver solutions that address environmental challenges. On pages 22 to 23, we have provided details on how we are embedding low carbon transition into our businesses alongside our relevant targets.

c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

To understand, and plan for, how Melrose will be impacted in plausible future climate scenarios and to improve our strategic resilience, we carried out our first climate scenario assessment, under two scenarios. These scenarios use Representative Concentration Pathways (“RCPs”), that set pathways for concentrations of GHGs and, effectively, the amount of warming that could occur by the end of the century. We used the same criteria to rate the climate-related risks that is used to rate other strategic Group risks. Further details of how our businesses are supporting the decarbonisation of their sectors are outlined on pages 10 to 20, and details of our 2021 qualitative climate scenario analysis can be found on pages 22 to 23.

Risk management

a) Describe the organisation's processes for identifying and assessing climate-related risks.

Climate change will continue to have direct physical and transitional impacts on the businesses, although for each business the impacts will be different. Each business is individually responsible for developing and managing processes to monitor and manage their climate-related risks. The qualitative climate scenario analysis described on pages 22 to 23 was a key step in identifying climate-related risks and opportunities. Please see the Risks and uncertainties section on pages 42 to 49 of our 2021 Annual Report for details of our Group approach to assessing principal risks including climate change. This year we also assessed water stress. Please see pages 24 to 25 for details.

b) Describe the organisation's processes for managing climate-related risks.

With Melrose's support, each business invests in and implements appropriate systems and processes to manage their impact on the environment, and continually reviews these in line with evolving expected practices. The executive management team of each business regularly reviews any significant climate-related issues, risks and opportunities related to the business. These reviews consider the level of climate-related risk that the business is prepared to take in pursuit of its business strategy and the effectiveness of management controls in place to mitigate climate-related risk. In line with our decentralised model, our businesses have frameworks in place for identifying principal risks and opportunities appropriate to their business and stakeholders, which include climate-related risks. Each business takes an appropriately tailored approach to improve relative to their maturity in this area at the time of becoming part of the Group.

c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

In 2021, the Group risk categories were expanded and refined to include climate change as a strategic Group risk, to reflect the emerging risks involved with the increased frequency of extreme weather and climate-related disasters, coupled with increased climate transition legislation and regulations in this area. Please see page 47 of our 2021 Annual Report for details on how climate change is integrated into our Group strategic risk profile.

At the end of 2021, in recognition of the businesses' strong focus on ensuring an efficient and sustainable use and management of energy, 112 sites (74%)⁽¹⁾ across our businesses were certified to ISO 14001 standard, and 28 sites (18%)⁽¹⁾ had achieved ISO 50001 certification. Compliance to the standards is ensured by independent auditing, with annual surveillance audits being completed and a full re-certification carried out every three years.

Metrics and targets

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Improving operational efficiency is a key factor that shapes the long-term profitability and sustainability of our businesses and contributes to ensuring that they are responding appropriately to changing regulatory and stakeholder requirements and expectations. Our ambition is to achieve net zero GHG emissions in our Group's operations before 2050 in line with the UK Government's target, to achieve the goals of the Paris Agreement. As part of our evolving sustainability strategy, we have identified relevant Group-level KPIs to support us in better articulating our transition plan to meet our net zero ambition. These metrics include GHG emissions, water (withdrawal and stress) and waste. We have reported Scope 1 and Scope 2 emissions data for the Group for several years and have now set reduction targets for the short, medium and long-term. In 2021, we also began to report a limited number of Scope 3 emissions and will shortly incorporate these into our targets. Please see the tables included on pages 52 to 53 of the Annex to this Sustainability Report for our Scope 1, 2 and 3 emissions disclosures.

b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 Greenhouse gas (“GHG”) emissions and the related risks.

We have reported Scope 1 and Scope 2 emissions data for the Group for several years. In 2021, we also began to report a limited number of Scope 3 emissions. Please see the tables included on pages 52 to 53 of the Annex to this Sustainability Report for our Scope 1, 2 and 3 emissions disclosures. Our Group emissions are closely linked with our Group climate transition risk exposure. Please see our 2021 qualitative climate scenario analysis on pages 22 to 23 for details on our climate transition risk and how our divisions are addressing and engaging with climate transition risks and opportunities.

c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Each of our businesses are at a different stage of their respective strategic sustainability improvement journey, and at different points in their Melrose ownership. By the very nature of our “Buy, Improve, Sell” strategy, our Group sustainability performance will fluctuate during our investment cycle as we acquire new businesses in need of improvement, and sell businesses that we have improved. These differences among our businesses, and the unique nature of our business model, have been assessed and considered in setting the parameters of the Group sustainability targets, which cover net zero, Scope 1 and Scope 2 emissions intensity, renewable electricity sourcing, waste diverted from landfill, climate-related research and development expenditure and the development of new products that contribute to the decarbonisation of the sectors in which we operate. Please see page 14 for more details on our environmental targets including time horizons.

(1) Data has been collected from 98% (by sites) of the Group.

Sustainability Accounting Standards Board (“SASB”) reporting for 2021

The following tables detail our disclosures made against the SASB Aerospace and Defence and Auto Parts sector standards, with topics identified as being most relevant to our businesses and their sectors. All data and descriptions are for Melrose Industries PLC on a consolidated basis for continuing businesses and not solely the business unit(s) within the Group that are relevant to the Aerospace and Defence and Auto Parts sectors. The tables are structured by topic to take into account that some disclosure and indicator requirements appear in more than one SASB sector.

By reporting in line with the SASB standards, we are providing our investors and other stakeholders with comparable, consistent, and reliable data on financially material sustainability factors which directly impact our long-term enterprise value. As this is our first year reporting against the standards, there may be some disclosure gaps which we will look to close in time.

Table 1a: Aerospace and Defence & Auto Parts standard – accounting metrics

Topic	Metric	Response	SASB Code
Energy Management	1) Total energy consumed	1) 9,836,776 Gigajoules (“GJ”)	RT-AE-130a.1
	2) Percentage grid electricity	2) 58%	TR-AP-130a.1
Hazardous Waste Management	Amount of hazardous waste generated	Please refer to page 53.	RT-AE-150a.1
Waste Management	1) Total amount of waste from manufacturing	1) Please refer to page 53.	TR-AP-150a.1
	2) Percentage hazardous	2) 6%	
	3) Percentage recycled	3) 87%	
Data Security	Description of approach to identifying and addressing data security risks in (1) company operations and (2) products	<p>1) Information security and cyber threats are an increasing priority across all industries globally, and like many businesses, Melrose recognises that the Group must be protected from potential exposures in this area, particularly in light of its scale, reach, complexity and public-facing nature, as well as the potential sensitivity of data held in relation to civil aerospace technology and controlled defence contracts.</p> <p>As a principal risk, information security and cyber is addressed through the Group’s risk management framework. Please refer to page 50 for more detail.</p> <p>Management processes to address these risks include, but are not limited to, employee training and incident and vulnerability management processes (detection and response), and a security champions network ensuring compliance and risk assessment on sites.</p> <p>GKN Aerospace’s Digital Security Programme (“DSP”) provides the policies and prescribed measures under which GKN Aerospace operates and safeguards its data and information systems to both reduce risk and minimise the effect of potential incidents. The DSP is endorsed by both GKN Aerospace’s CEO and CIO to establish and enforce the cyber security and data protection programme at GKN Aerospace. Controls include, but are not limited to, employee screening, supplier and vendor checks, third party penetration testing and 24/7 Security Operating Centre (“SOC”) service providers to detect, analyse and respond from alerts to incident response based on the security monitoring tools deployed.</p> <p>Please refer to page 50 for more detail.</p> <p>2) n/a</p>	RT-AE-230a.2
Product Safety	1) Number of counterfeit parts detected	1) 0 ⁽¹⁾	RT-AE-250a.2
	2) Percentage avoided	2) n/a as no counterfeit parts were detected or avoided ⁽²⁾	

(1) Data coverage for the Group is 63% (by revenue).

(2) Data coverage for the Group is 63% (by revenue).

Topic	Metric	Response	SASB Code
Fuel Economy & Emissions in Use-phase	Revenue from alternative energy-related products	£800,890,133 ⁽¹⁾	RT-AE-410a.1
	Description of approach and discussion of strategy to address fuel economy and Greenhouse gas (“GHG”) emissions of products	<p>GKN Automotive is at the forefront of increasing the efficiency of the products it manufactures. As well as investing to minimise the CO₂ impact in vehicles, GKN Automotive is now the market leader in highly efficient all-wheel drive (“AWD”) and e-Drive systems, enabling its customers to improve fuel efficiency and reduce their carbon emissions. The Disconnect AWD technology helps reduce AWD-related CO₂ emissions by up to 80% compared with conventional AWDs. In addition, the new generation AWD components are 30% more efficient and 20% lighter than previous generations. Product durability has been increased by 25%, now achieving more than 320,000 kilometres. The 525,000 systems sold just in 2021 will reduce vehicle emissions by more than 45,000 tonnes of CO₂ annually.</p> <p>GKN Automotive is now producing a significant volume of the new Generation 3-in-1 e-Drive system. This highly integrated technology with significantly more power at less weight and smaller packaging is designed for future plug-in hybrid or battery electric vehicles. Advanced analysis and development tools have been applied to increase power density of the new Generation 3-in-1 e-Drive systems by 25% and reduce the amount of expensive materials like copper and rare earth magnets at the same time. The UK Innovation Centre in Abingdon is focused on the development of the next generation e-Drive products with even better efficiency and weight to power ratio, and the reduction or even elimination of critical materials. The recently announced “UK Research Centre” jointly with the University of Nottingham and Newcastle University will strongly support the business’s medium and long-term strategy.</p> <p>GKN Aerospace has collaborated with other aerospace companies to develop a clear and aligned roadmap towards aviation’s goal of net zero by 2050. The components of this include replenishment and operational optimisation of existing fleets with the very latest and most efficient products, planned new aircraft and engine designs to further improve efficiency and reduce emissions, the introduction of sustainable aviation fuels to reduce the introduction of CO₂ from fossil fuels entering the environment, and the development of brand new zero emission technology. GKN Aerospace has optimised its internal R&D plans to maximise its value contribution across this wide scope, stepping beyond its current scope of capabilities to also explore new zero emission technologies aimed at inspiring its people, customers and communities. GKN Aerospace has developed a strong collaboration culture linked to significant ecosystems of research centres, universities, SMEs and partners. Its R&D portfolio embraces the fantastic capabilities that exist in those ecosystems for mutual benefit, often leading government funded programmes such as its H2GEAR hydrogen electric propulsion programme, which enables universities and SMEs to benefit from this support.</p> <p>Please refer to pages 10 to 13 for more detail.</p>	RT-AE-410a.2
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and/or reduce emissions	£1,039,320,847 ⁽²⁾	TR-AP-410a.1
Materials Efficiency	Percentage of products sold that are recyclable	88% ⁽³⁾	TR-AP-440b.1
	Percentage of input materials from recycled or remanufactured content	60% ⁽⁴⁾	TR-AP-440b.2
Business Ethics	Discussion of processes to manage business ethics risks throughout the value chain	<p>Sound business ethics and integrity are core to the Group’s values and are fundamental for the success of our strategy. The high standards of financial and non-financial controls, and strong governance backed by internal and where required, external review of financial and non-financial compliance, are enforced throughout the Group. Directors, officers, employees, and contractors throughout the Group, whether permanent or temporary, and in respect of any entities over which Melrose has effective control, must comply with Melrose’s Code of Ethics and Group compliance policies, which reflects current best practice and strong corporate citizenship.</p> <p>The Code of Ethics and the Group compliance policies, which can be found on our website (https://www.melroseplc.net/about-us/governance/code-of-ethics/), have been approved by the Board and includes policies covering best practice with respect to anti-bribery and corruption, anti-money laundering, anti-facilitation of tax evasion, competition, conflict minerals, trade compliance, data privacy, whistleblowing, treasury and financial controls, anti-slavery and human trafficking, document retention, joint ventures, diversity and inclusion, environmental, and human rights.</p> <p>Please refer to pages 47 to 48 for more detail.</p>	RT-AE-510a.3

Table 1b: Aerospace and Defence & Auto Parts standard – activity metrics

Activity Metric	Response	SASB Code
Number of employees	Please refer to page 35.	RT-AE-000.B

(1) Data coverage for the Group is 86% (by revenue).

(2) Data coverage for the Group is 49% (by revenue).

(3) Per the SASB standards, the scope of disclosure is limited to products that are automotive parts, components, and materials.

(4) Data coverage for the Group is 63% (by revenue).