



ENVIRONMENTAL POLICY

1. INTRODUCTION

- 1.1 Melrose Industries PLC and its Business Lines (comprising the GKN Aerospace Engines and Structures businesses) (“Melrose”, “Company”, “Group” or “we”) are committed to improving business for the good of its stakeholders, society and the environment.
- 1.2 The purpose of this policy is to demonstrate our commitment to play our part in global efforts to address climate change and reduce greenhouse gas emissions to Net Zero by 2050, in line with the Paris Agreement’s goal of limiting global warming to 1.5°C above pre-industrial levels, and to improve sustainable production methods and infrastructure, minimising the potential negative impact that our business may have on the environment.
- 1.3 This policy has been approved by the board of directors of Melrose Industries PLC.
- 1.4 Throughout the Group, we seek to establish a “culture” of compliance with this policy with assigned responsibilities to ensure effective transmission of this policy throughout the operations, supported by regular guidance and training, appropriate safeguards, auditing procedures, monitoring and performance measurement practices.
- 1.5 We set ourselves clear, measurable and ambitious environmental targets which are reviewed on a regular basis and reported in our Annual Reports.

2. WHO IS COVERED BY THIS POLICY?

- 2.1 This policy applies to all individuals working at all levels throughout the Group, including senior managers, officers, directors, employees (whether permanent, fixed-term, or temporary), contractors, trainees, casual workers/agency staff, volunteers, or any other person working for the Group throughout the world.
- 2.2 We also drive and encourage our suppliers to respect and adhere to the principles stipulated in this policy.

3. POLICY STATEMENT

- 3.1 At Melrose one of our four overarching sustainability principles is our commitment to respect and protect the environment. We strive for continuous improvement through setting robust and ambitious environmental sustainability targets aligned with our corporate strategies, and monitoring performance against them.
- 3.2 We are committed to ensuring that strong environmental governance is at the centre of the highest level of our executive decision-making, where it can have the most impact. The Group Sustainability Function overseen by the Chief Technology Officer (“CTO”) is responsible for identifying, monitoring and managing the environmental risks that affect our operating and market environments.
- 3.3 This policy has been developed with consideration of the interests of our key stakeholders including employees, local communities, customers and suppliers.
- 3.4 Environmental Management System
We invest in and implement appropriate systems and processes to manage our impact on the environment, and continually review these in line with evolving best practices. The Group operates under the Environment Management standard which requires compliance with or adherence to principles of the ISO 14001 certification which is also used to manage the impact, risks and /or

opportunities for resource use and circular economy. The standard covers all parts of business, including distribution and logistics, relationships with key business partners and strategic due-diligence, mergers and acquisitions, etc.

3.5 Climate Change and Emissions

The Group recognises the serious threat posed by climate change and the urgent need for meaningful action. In line with our commitment to achieve Net Zero by 2050, we seek to improve our operations and invest in advancing our market offerings to minimise our impact on climate change and make our business less vulnerable to climate-related risks, while safeguarding our long-term commercial success.

The Executive Committee regularly reviews significant climate-related risks and opportunities related to the business as part of our climate scenario analysis conducted by the Group Sustainability Function overseen by the CTO. These reviews also consider the effectiveness of management controls in place to mitigate climate-related risks, as well as our performance against emissions reduction and other climate-related targets.

3.6 Water

We are committed to reducing our business's water withdrawal and looking to establish and implement best practice water stewardship methods. Through regular water risk assessments, we improve our understanding of water-related risks of our business operations and seek to build strategies to mitigate or minimise them.

3.7 Energy

We are committed to reducing our energy consumption through progressively improving energy efficiency at all levels in the Group, having clearly defined energy management responsibilities and plans and increasing sourcing from renewable sources.

3.8 Waste & Circularity

We are committed to reducing the amount of both hazardous and non-hazardous waste generated, diverting waste from landfill and maximising resource efficiency through circular practices. Through the commitment to reducing waste, we aim to minimise the environmental footprint of our products, conserve resources and contribute to the transition towards a circular economy.

3.9 Biodiversity

By minimising the impact of our activities on the environment, we commit to protecting the biodiversity and natural ecosystems across the areas of our business operations.

3.10 Product Responsibility

We are committed to making continuous, long-term improvements to mitigate any negative impact that our products and services have on the environment. We will continue to work closely with customers to deliver solutions that address environmental challenges, by developing products that enable reductions in in-flight emissions, and where possible enable our customers to reduce their lifecycle emissions and natural resource consumption.

3.11 Pollution

We commit to reducing the pollution impact of our operations on the environment. We implement and monitor measures to prevent and control emission to air, water and soil. We also minimise and substitute substances of concern where feasible, prioritising the phase-out of substances of very high concern (SVHCs).

3.12 Policy Advocacy

We are committed to actively supporting and promoting policies that accelerate the transition to a

low-carbon economy and mitigate the impacts of climate change. We aim to be a constructive and influential voice within the aerospace industry for shaping climate policy at local, national, and international levels. We strive to ensure that our advocacy efforts are consistent, effective, and aligned with global and local climate goals and scientific consensus.

Within the framework of our commitment to addressing climate change, we are committed to promoting:

- climate and decarbonisation targets consistent with the objectives set by the Paris Agreement supported by effective implementation mechanisms utilising market dynamics and developing own platforms to enable tangible action such as engagement with our suppliers;
- a clear governance framework that ensures transparency, strategic clarity and accountability, in order to ensure effective legal and regulatory frameworks in promoting the necessary contributions and investments; and
- constructive dialogue within multi-stakeholder initiatives, actively contributing to groups and industry associations that we are members of.

3.13 Responsible Sourcing

We are committed to ensuring that our business sources raw materials and manufactures products in a responsible, ethical and sustainable manner. We are committed to minimising the negative sustainability impacts of raw materials. This applies to our global supply chains and we work with our suppliers with whom we collaborate on best practice for sustainable raw materials to ensure that they conduct business in a manner that embraces sustainability and reduces environmental impact.

We have strict procedures in place in respect of sourcing products or raw materials containing 3TG minerals as set out in the Group Conflict Minerals Policy, which is available on our website.

We will as a minimum comply with all relevant environmental legislation and regulatory requirements in the regions we operate and where possible/practicable adhere to voluntary standards where appropriate.

We are committed to sustainable manufacturing through investments in cutting-edge technologies which will help to improve production methods by reducing raw material use.

We are committed to ensuring that we source raw materials in a responsible, ethical, and sustainable manner, increasing the use of third-party verification and avoiding global and nationally important biodiversity sites. This applies to our global supply chains and is important in mitigating the risk of supply chain shocks.

3.14 Monitoring and Reporting

We are committed to continuously monitoring, measuring, evaluating and improving the environmental performance of the Group's operations. We will continue to consult with stakeholders on environmental issues and ensure that all employees and suppliers are aware of the Group's environmental principles and support these commitments in their work. We will report regularly on environmental issues when they arise.

4. RESPONSIBILITY FOR THE SUCCESS OF THIS POLICY

4.1 This policy forms part of our Group compliance policies, which fall under the overall responsibility of the board of directors of Melrose Industries PLC.

4.2 The executive team of each Business Line takes responsibility for ensuring effective transmission of this policy throughout the business, together with the provision of relevant guidance and training,

and appropriate safeguards, monitoring, and resources, in order to ensure compliance with this policy.

4.3 All staff should be aware of and are responsible for the success of this policy and should ensure that they take steps to support it.

5. POLICY COMMITMENTS

5.1 Our policy aims to:

- comply with applicable environmental laws and company policies and procedures to protect the environment in areas where we operate;
- continuously improve our environmental management system through implementing internal operational efficiencies and compliance with international standards such as the ISO 14001;
- work to deliver on our environmental sustainability targets and collaborate with our customers and key suppliers to embed sustainable practices across the entire value chain in areas of emissions, energy, water, waste and circularity, and biodiversity;
- aim to raise awareness and understanding of environmental issues with our employees and suppliers by communicating the role and value of our sustainability strategy and delivering against its targets;
- monitor and report on our progress in our Annual and Sustainability Reports, in support of ensuring transparency of our disclosures, and work to engage with key stakeholders on environmental issues where relevant;
- maintain Board and executive-level oversight of the management of operational environmental risks and the effectiveness of implementation of our sustainability strategy; and
- make this policy and updates to this policy readily available to our key stakeholders including employees, customers, community and suppliers.

6. REFERENCES

6.1 This policy should be read in conjunction with other environmental policies, all of which are available on our website:

- Biodiversity;
- Supply Chain;
- Water; and
- Conflict Minerals.