

Be the most **TRUSTED** and **SUSTAINABLE** partner in the sky

Sustainability at GKN AEROSPACE

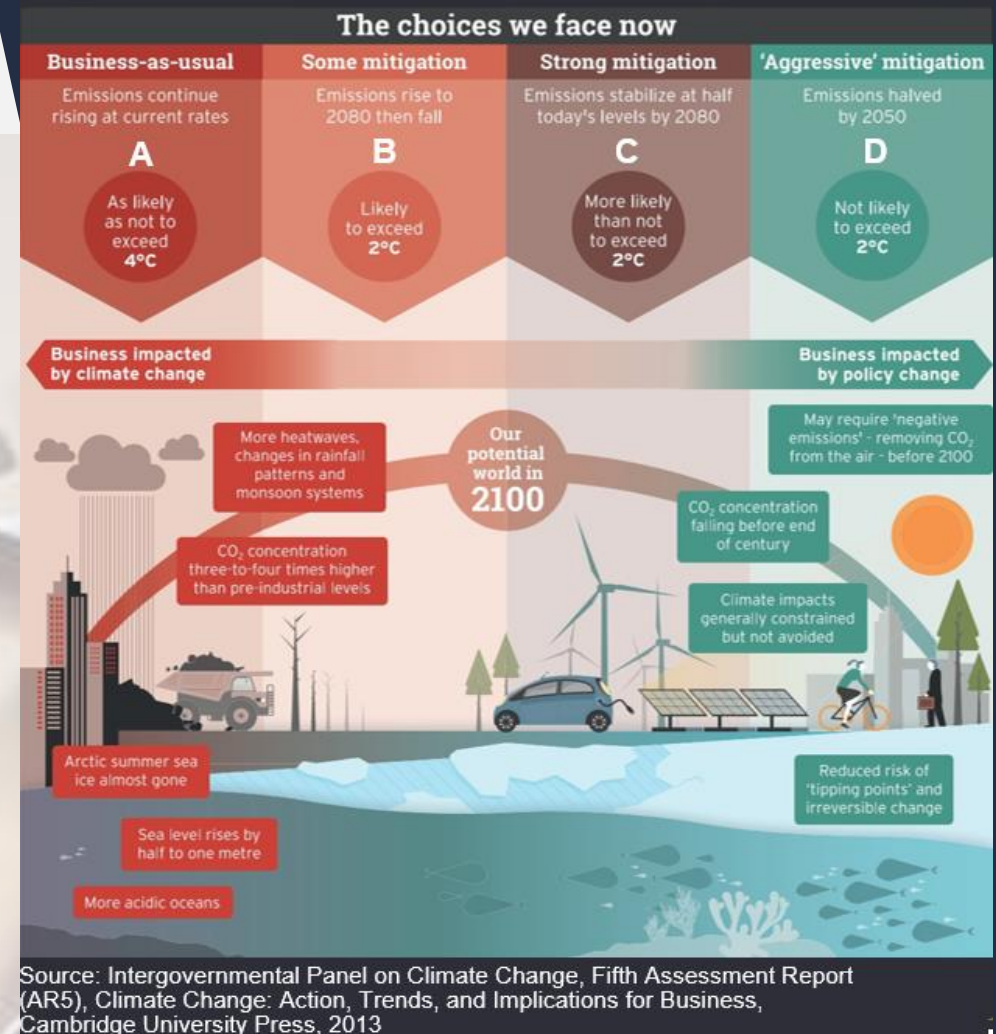
Michiel Jas
Director of Sustainability





Why is Sustainability a business priority for GKN Aerospace?

- > GKN Aerospace can not control global warming, but we are a contributor and depending on the different scenarios, we will be impacted in different ways:
 - Either by the impacts of climate change, on our factories and on our markets
 - Or by the policies put in place to control climate change
- > Governments and the investor community are increasingly taking actions with a materially affect on our industry and our business. We need to enable aviation's route to Net Zero 2050 while keep our passengers safe.
- > GKN Aerospace's ambition to become "the most trusted and sustainable partner in the sky" does means something.
- > We are choosing to positively contribute to reducing global emissions, in our factories, in our product and by our actions. In doing so we believe we;
 - Contribute to slowing down global warming & increase engagement
 - Create new business opportunities
 - Increase the portfolio value of our business



We do not see any scenario where our business will not be impacted by climate change

How is GKN Aerospace responding?

Our Mission

Be the most **TRUSTED** and **SUSTAINABLE** partner in the sky

Strategic Priorities

Reduce **GKN Aerospace emissions** as a Business

Conserve our planet's **natural resources**

Enable **Aviation's** route to **Net Zero 2050**

Our Internal 2025 Goals



Emissions

50% reduction in Scope 1 & 2 emissions intensity



Renewables

80% of our electricity is sourced from renewable sources



Waste

95% of waste is diverted from landfill



Water

50% reduction in water intensity



R&D

70% of R&D on climate related solutions



Products

70% of new products contribute to decarbonisation

2050 Commitments

Net Zero GHG Emissions as a business.

Minimise our impact on the environment, conserving natural resources and eradicating hazardous waste.

Our products enable aircraft that emit net zero greenhouse gas emissions throughout their life-cycle.

2025 Roadmap

- Improve on site efficiency
- Reduce energy consumption (10% in 2023)
 - Electrification of equipment
- Renewable energy and on-site generation

- Divert all non-hazardous waste streams
- Investigate alternatives for hazardous waste
- Continue water criticality assessments
- Investigate water intensive processes

- Science Based Targets for Scope 3 emissions
 - Develop partnerships across value chain
- Sustainability criteria in TRL and life-cycle gates
- Measure product carbon footprint through LCA's

Sustainability Landscape

Investors

Customers

Legislators



- GOAL:**
- To become the global standard for sustainability disclosures
 - Enable management of (Environmental) Sustainability risks & opportunities
 - Drive down GHG emissions and bring companies in line with the 1.5°C Paris Agreement

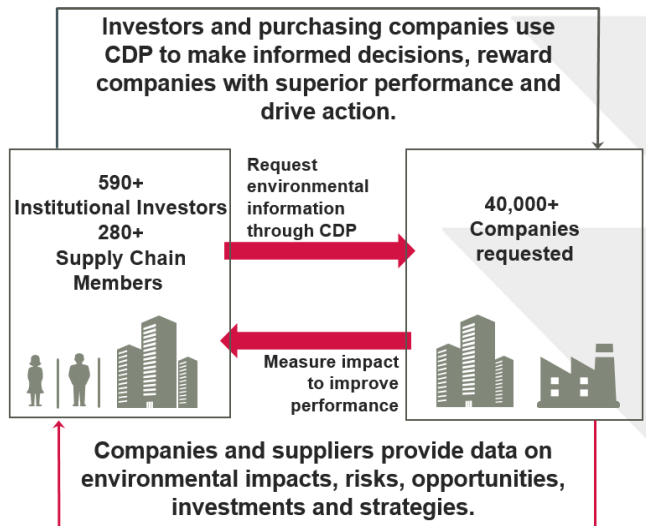
GKN Aerospace focus – CDP



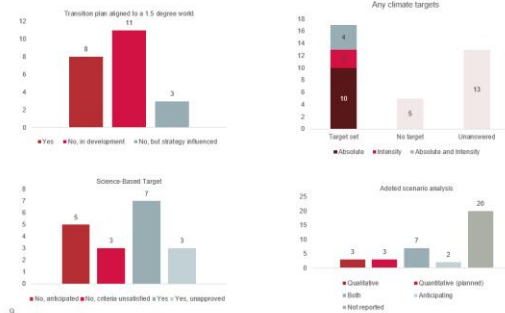
CDP is a global environmental impact non-profit running the **global disclosure system** that enables companies, cities, states and regions to measure and manage their environmental impacts.

GKN Aerospace uses CDP to **evaluate the potential climate impact, deforestation and water security risks of its strategic suppliers**

In 2023, GKN Aerospace reached out to its top 100 suppliers, of which 56 have responded so far.



CLIMATE CHANGE 2022
Climate Change performance



Typical Questions:

- Board-level oversight?
- (Science based) Climate targets?
- Emission reduction initiatives?
 - GHG accounting?
- Engagement with own suppliers?

GKN Aerospace intends to expand the CDP supply chain program to its top 500 suppliers next year

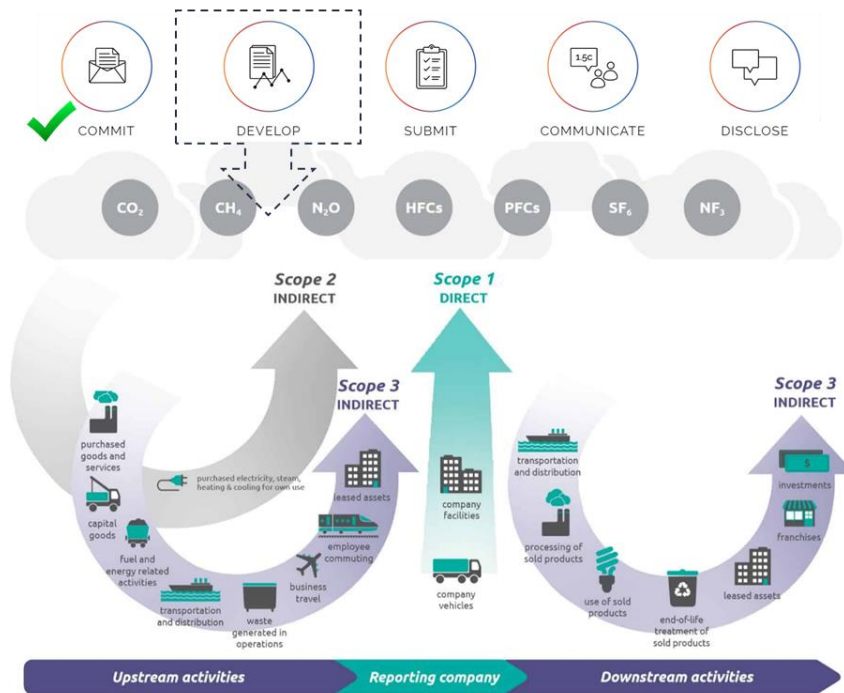
GKN Aerospace focus – Science Based Targets



GKN has committed to

set GHG emissions reduction targets for the near and long term, where

SBTi provides alignment with the Paris Agreement - pursuing efforts to limit global warming to 1.5°C.



By committing, GKN Aerospace will:

- Join large aerospace companies like Airbus, SAAB, SAFRAN & THALES in the Race to Zero
- Qualify for an A or B sustainability rating (CDP)
- Prepare for upcoming CSRD legislation.

	Base Year	Scope 1&2 targets	Annual Reduction	Method	Base Year	Target	Scope 3 Emission target	
	2020	<i>committed</i>			2022		<i>committed</i>	
	2015	2030	63%	4.2%	absolute	2015	2035	reduce emissions from use of sold products 46% per RPK
	2020	2030	42%	4.2%	absolute	2020	2030	50% of suppliers will have SBTs by 2027; reduce absolute upstream transportation and distribution, business travel and use of sold products 25%
	2018	2030	50%	4.2%	absolute	2018	2035	reduce emissions from use of sold products 42.5% per available seat kilometer; reduce indirect use-phase emissions 42.5% per available seat kilometer
	2018	2030	50%	4.2%	absolute	2018	2030	reduce absolute emissions from purchased goods and services, business travel, and use of sold products 15%; reduce absolute indirect use-phase emissions 15%

GKN Aerospace focus – CSRD

The CSRD requires companies to disclose a broad range of data relating to their environmental, social, and governance practices

Disclosure according to the ESRS technical standards released in July 2023.

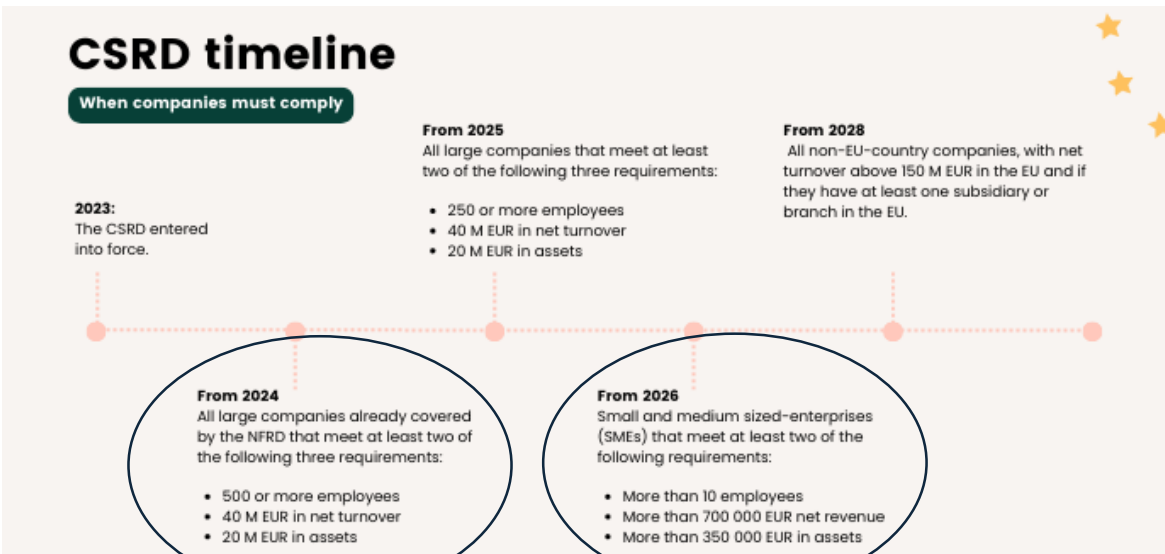
CSRD requires a **double materiality assessment** to identify the most material topics

And disclosure of full scope 1-3 emissions, climate risks and policies related to climate change mitigation and adoption

GKN Fokker needs to comply with CSRD from 2024:

Supply chain impact:

- Risk assessments
- Measurement & reporting
- Supplier audits



Cross-cutting standards		Environment		Social		Governance	
ESRS 1	General requirements	ESRS E1	Climate change	ESRS S1	Own workforce	ESRS G1	Business conduct
ESRS 2	General disclosures	ESRS E2	Pollution	ESRS S2	Workers in the value chain		
		ESRS E3	Water and marine resources	ESRS S3	Affected communities		
		ESRS E4	Biodiversity and ecosystems	ESRS S4	Consumers and end-users		
		ESRS E5	Resource use and circular economy				

ESRS Technical Standard



Are you ready for
Climate-Related
disclosure?