This report details our performance on material environmental risks, impacts and opportunities including greenhouse gas emissions, waste and water.

Carbon Disclosure

The Group measures and discloses its GHG governance, strategy, risk management, and performance through the annual CDP questionnaire, which explores the risks and opportunities related to climate for organisations worldwide. CDP is a not-for profit charity that runs the global disclosure system for companies and others to manage their environmental impacts. In 2018, Cobham was awarded a grade of **B** by the CDP.

Governance

The Corporate Responsibility and Sustainability (CR&S) Committee, chaired by the Chief Financial Officer, has overall accountability for CR&S strategy, including climate change and carbon management. The Committee has responsibility for reviewing the effectiveness of controls in place for identifying and managing risks and opportunities, challenging Group performance, and maintaining strategic policy oversight.

Strategy

Climate change affects the Group's approach to its drivers of change. Climate change regulation, taxes, international agreements such as the Paris accord, volatile energy costs and changes in weather conditions have all informed the Group's strategic decisions as Cobham adapts to changing operating environments. Investment in new technology that reduces size, weight and power consumption of products is an important differentiator in the Group's markets.

Material issues identified include:

- Greenhouse gas (GHG) emissions from aircraft fuel combustion in its Aviation Services Sector
- GHG emissions from electricity and fuel used in the lighting, heating, ventilation and cooling of its facilities and supply chain Group-wide
- The impact of the size, weight and power efficiency of Cobham products upon the fuel burn and GHG emissions of customer aerospace platforms
- Business interruption at its facilities, and those of its key suppliers, due to adverse weather events (e.g. flooding, wildfire).

Risk Management

Risks and opportunities are monitored, prioritised and managed in a number of ways, including by the Group insurance partner, in local risk registers and business unit SHE self-assessments. Failure to address environmental sustainability issues aligns with the Group's principal risks of failure to comply with laws and regulations.

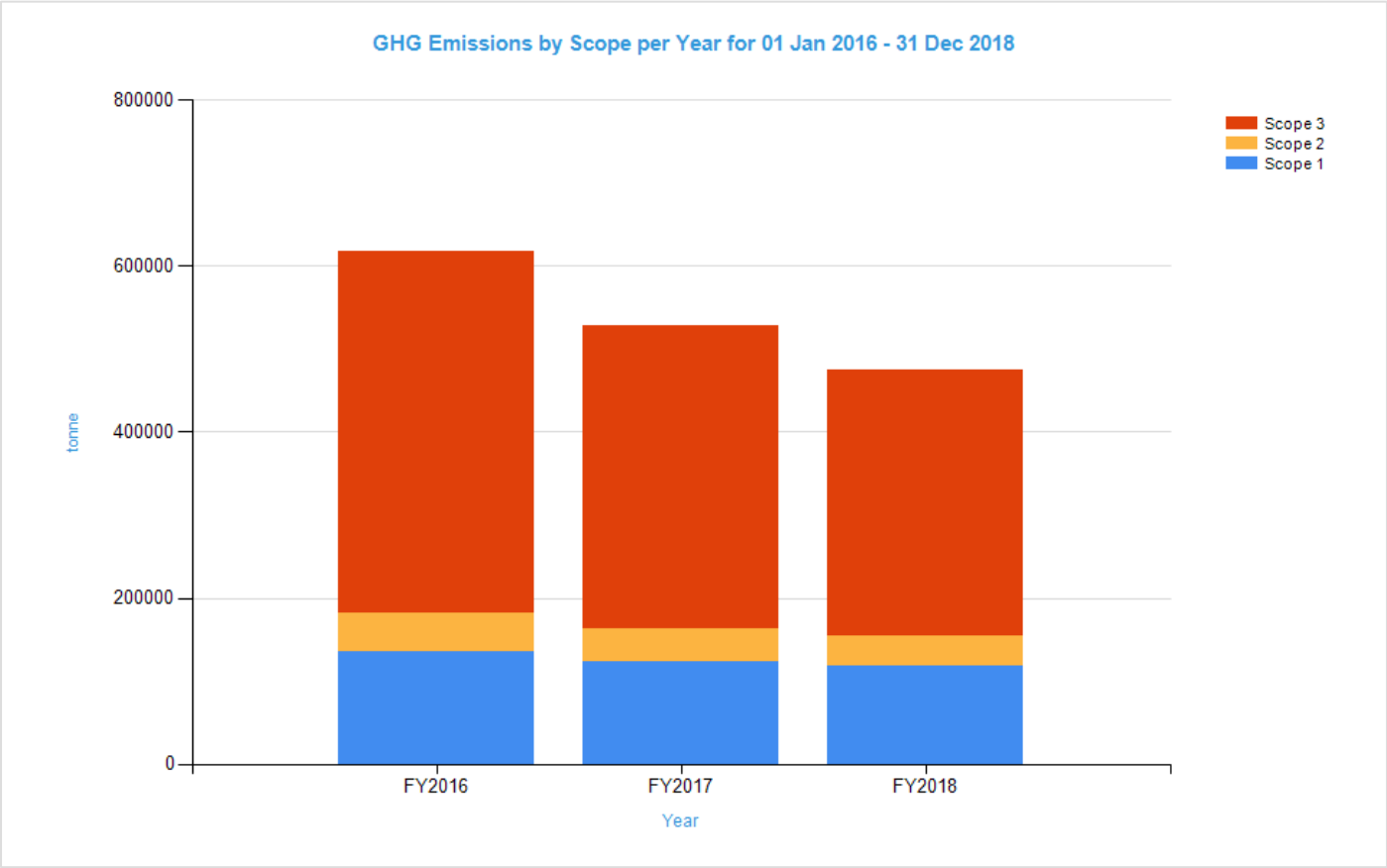
The Group addresses environmental sustainability issues by:

- Reducing environmental impacts from its operations wherever practicable
- Reducing legacy aircraft fuel consumption and seeking to transition to more fuel efficient aircraft where possible
- Reducing GHG emissions across a number of operating sites through practical energy efficiency measures, including upgrades to lighting, heating, ventilation and air conditioning
- Investing in design to reduce the size and weight of products which reduces energy consumption with a corresponding reduction in environmental impacts
- Reinforcing business continuity measures and effective emergency response planning, in preparation for adverse weather events and natural disasters
- Aligning the Group's environmental standards to ISO14001 and encouraging business units to certify to ISO14001 standards.

Emissions Overview

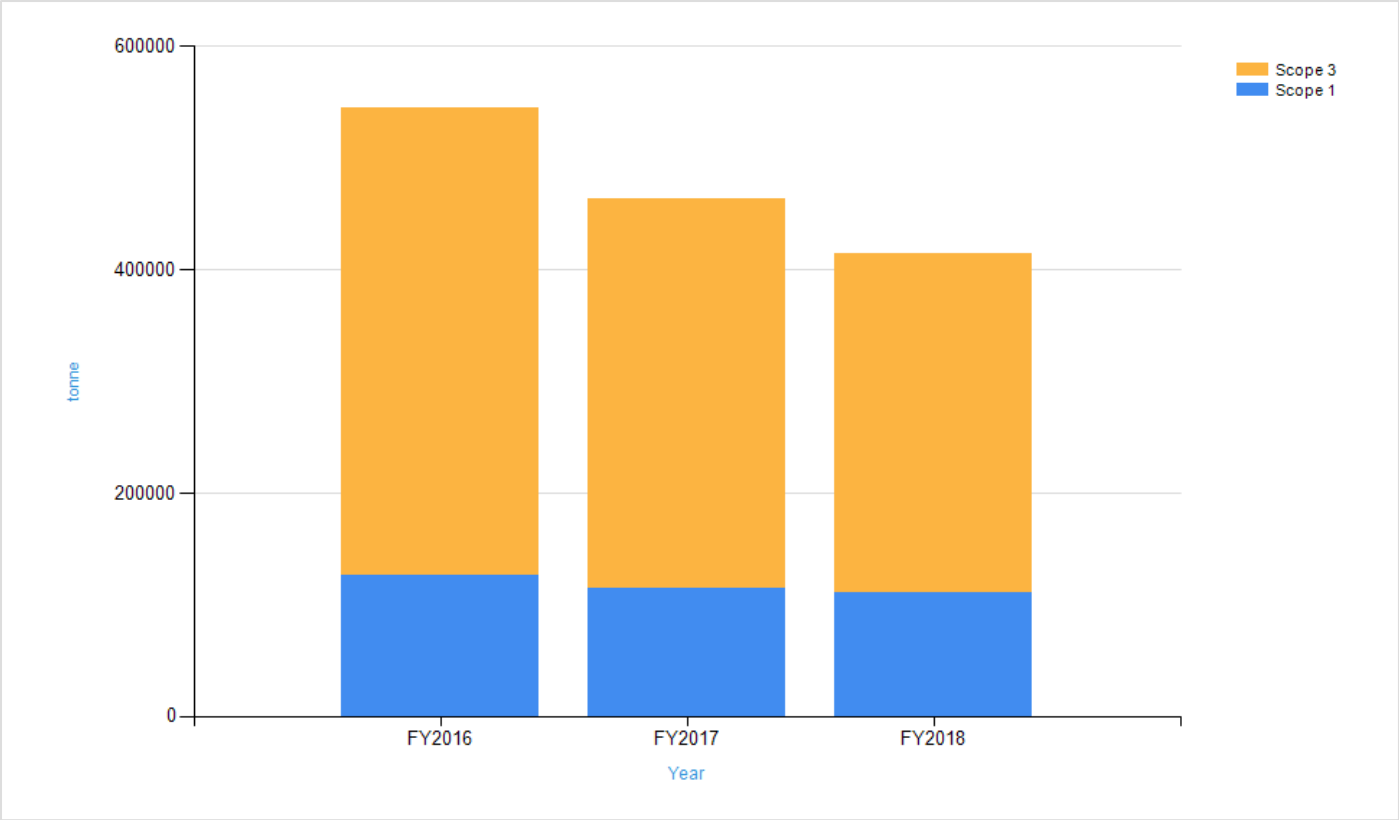
The Group's total carbon footprint, including Scope 1, 2 and 3 emissions (see "Performance Summary 2018" for definitions) is measured using the operational control approach as set out by the World Business Council for Sustainable Development (WBCSD) & World Resources Institute (WRI) Greenhouse Gas (GHG) Protocol, to ensure we can effectively disclose and manage our contribution to climate change. Cobham's approach to cutting our carbon footprint is based on improving energy efficiency to reduce energy consumption and the related GHG emissions, while allowing for business growth. Figure 1 below shows emissions by scope.

Figure 1: GHG Emissions by Scope



The majority of the Group's total greenhouse gas (GHG) emissions come from its aviation activity (90% in 2018). Scope 1 and Scope 3 fuel burn has decreased across the aviation businesses as a result of a reduction in active contracts and flight numbers, as can be seen in Figure 2.

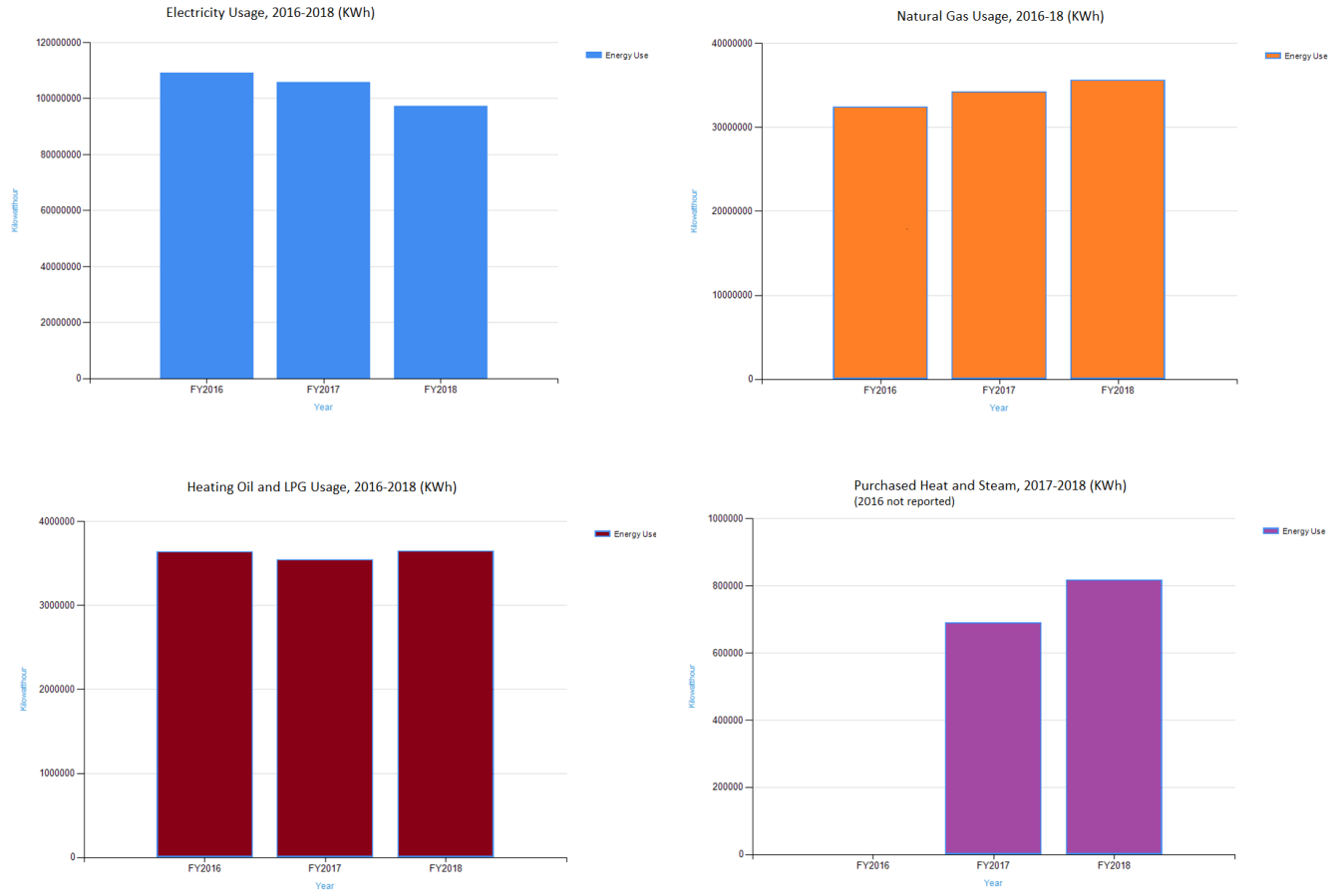
Figure 2: GHG Emissions from Aviation Fuel Across the Business



Facility Greenhouse Gas Emissions Target

Following a review, Cobham has created a new target in 2018: that of an emissions reduction target of a 15% over 5 years (by the end of 2022) in facility scope 1 and 2 energy use (facility energy being the direct energy uses of Cobham facilities and includes: natural gas, heating oil, non-automotive diesel, LPG, and electricity usage). The target was set against 2016 figures using C-FACT science based methodology and considers market based scope 2 emissions. Please note that CAES is excluded from this target in particular, CAES numbers are included in all of the charts in Figure 3 below to present a more robust picture of the group.

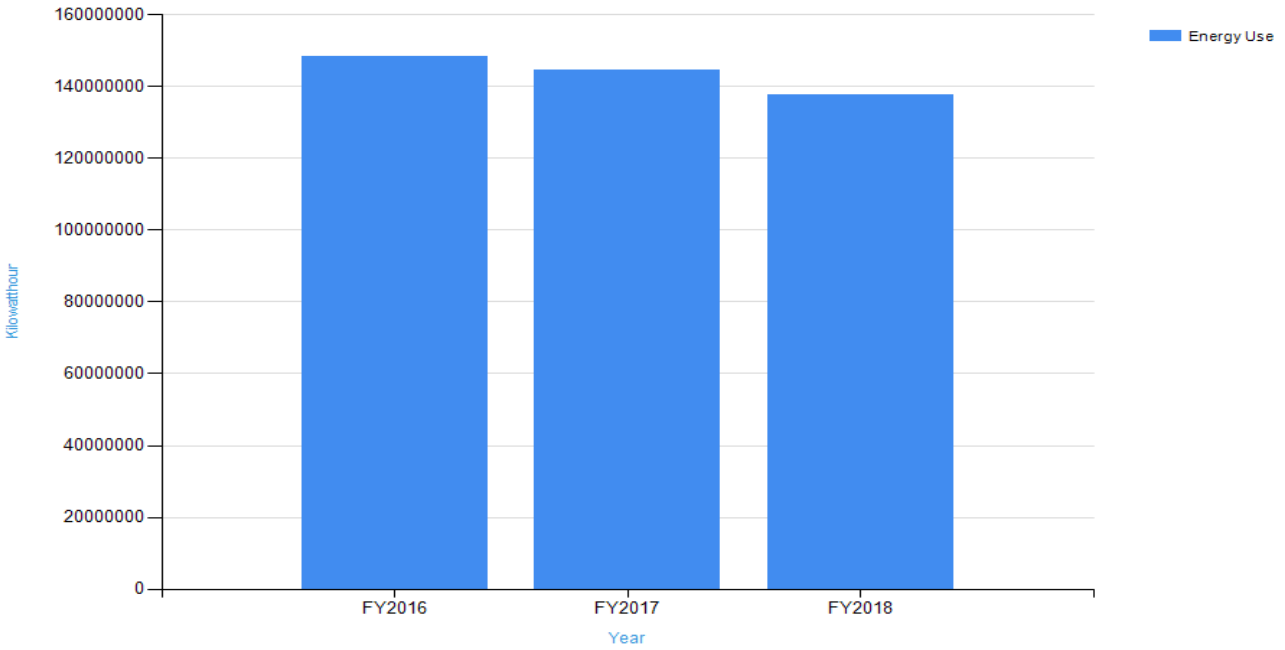
Figure 3: Major Sources of Facility Energy Usage Across the Business



All of the charts above are displaying facility energy usage rather than greenhouse gas emmissions. This is because a reduction in energy usage is one of the best, and most consistenly measurable ways of reducing GHG emissions, another being changing to less emmissions-intensive supplies of energy.

Although there was a greater variation in ambient temperatures during the year resulting in an increase in natural gas consumption, total facilities emissions (including electricity), have been decreasing since 2016, as can be seen in Figure 4 below. This is due partly to the divestiture of sites, and partly due to the implementation of energy saving intiatives across multiple site. In 2017, a new data garthering and management system was introduced, which has increasede both the acuracy and robustness of GHG reporting across the Group. This allows Cobham to analyse facility emissions by source, and help manage GHG emissions accordingly.

Figure 4: Total Facility Energy Use for Cobham from 2016-2018



Total facilities energy use across Cobham has been reducing since 2016, so far by a total of 7%.

Emissions Summary

We collect data for our Scope 1, Scope 2, and Scope 3 emissions. Scope 1 and Scope 2 data is included in the scope of limited external assurance. You can find our assurance statement for 2018 at this URL: https://www.cobham.com/the-group/corporate-responsibility-and-sustainability/performance-data-policies/performance-data/

Scope 1, 2, and 3 Emissions Breakdown by Country

Country	Scope 1	Scope 2	Scope 3
Australia	46.30%	2.07%	45.58%
China	0.00%	0.03%	0.00%
Denmark	0.12%	1.01%	0.01%
Finland	0.06%	0.03%	0.01%
France	0.25%	0.39%	0.18%
Israel	0.01%	0.19%	0.00%
Mexico	0.01%	0.34%	0.01%
South Africa	0.02%	0.98%	0.04%
Sweden	0.00%	0.00%	0.00%
United Kingdom	0.82%	2.91%	3.65%
United States	2.42%	42.05%	0.52%

Scope 1, 2, and 3 Emissions Breakdown by Source

Source Category	Scope 1	Scope 2	Scope 3
Downstream Transport and Distribution			0.02%
Employee Business Travel			4.58%
Energy Related Activities			0.56%
Fugitive Emissions	0.20%		
Mobile Combustion - Owned Fleet	93.43%		
Purchased and Used Electricity		99.57%	
Purchased goods and services			0.02%
Purchased Heat and Steam		0.43%	
Stationary Combustion	6.37%		
Upstream Leased Assets			94.80%
Upstream Transport and Distribution			0.03%
Waste			

Scope 1, 2, and 3 Emissions Breakdown by Sector

Sector	Scope 1	Scope 2	Scope 3
CAES	4.09%	61.60%	0.67%
CAvS Australia	92.59%	4.13%	91.17%
CAvS UK	1.33%	1.28%	5.72%
CCC	1.17%	13.76%	1.70%
CMS	0.81%	19.20%	0.60%
PLC			0.14%

Water

Cobham's processes are not water intensive, but inefficient usage represents a cost to the business and the environment so the organisation is always at ways to improve.

Waste

Cobham is comitted to reducing the amount of race we crese, and to reusing or recycling the remaining waste wherever possible. Waste will only be disposed of when it is unavoidable. The Cobham Safety, Health, and Environment (SHE) Council has created a new set of KPIs for each site to track, including the tracking of hazardous and non-hazardous waste generation.

Waste Disposal Breakdown for Cobham for 2018

Disposal Method	Percentage of Waste
Composting	1.26%
Incineration (mass burn)	5.38%
Landfill	33.89%
Landfill Diversion	2.43%
Recovery, including energy recovery	20.20%
Recycling	36.81%
Reuse	0.03%