



MODERN SLAVERY STATEMENT

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Melrose Industries plc and other relevant group companies during year ending 31 December 2017 to prevent modern slavery and human trafficking in its business and supply chains.

Melrose has a zero tolerance approach to any form of modern slavery. We are committed to acting in an ethical manner, with integrity and transparency in all business dealings.

We are committed to creating effective systems and controls to safeguard against any form of modern slavery taking place within our business or supply chain.

Our organisation

Melrose buys good manufacturing businesses with strong fundamentals whose performance can be improved. Melrose finances its acquisitions using a low level of leverage, improves the businesses by a mixture of investment and changed management focus, sells them and returns the proceeds to shareholders.

Our commitment

We operate a number of internal group wide policies to ensure that we are conducting business in an ethical and transparent manner. Melrose itself is a very lean, managerial organisation without global supply chains or employees in high risk jurisdictions, reducing the risk of modern slavery and other human rights issues. Even though Melrose is low risk, we take human rights issues very seriously and provide training and a confidential whistleblowing hotline for all employees.

We also recognise that there may be an increased risk of human rights issues in some of the businesses that we buy and sell as these businesses may have more complicated, global supply chains and employees in higher risk jurisdictions. In order to address the potential risks, Melrose embeds its groupwide internal policies into each of the businesses it purchases and works with them on their implementation, including pushing it down into their respective supply chains.

Training

Melrose provides wide scale employee training on all its policies, including in relation to modern slavery and human trafficking, as well as providing a confidential whistleblowing hotline.

We prepared specific, tailored training on modern slavery in 2017 and rolled it out across the businesses we owned. The training educates employees on the issues surrounding modern slavery and what to do if they suspect that it is taking place either internally or within their supply chain. We will continue to train new joiners of existing businesses and employees of new businesses added to the Melrose Group.

Whistleblowing

As an organisation Melrose understands that we must lead by example but that ultimately our businesses' employees are most likely to encounter potential human rights issues. For this reason, Melrose provides a fully confidential, whistleblowing portal for all employees enabling them to raise any issues they may have or any potential violations they encounter. Melrose ensures that all reports are fully investigated and resolved. Melrose also provides whistleblowing training to employees to ensure that they are aware of the whistleblowing portal and its importance.

Our performance indicators

We will monitor and evaluate the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain by:

- continual monitoring of reports from employees, the public, or law enforcement agencies that may indicate that modern slavery practices have been identified;
- the use of grievance mechanisms;
- requiring staff to undertake MSA and whistleblowing training; and
- continuing to roll out our policies to the businesses we buy.

Approval for this statement

This statement was approved by the Board of Directors on 29 June 2018.



Christopher Miller, Chairman
29 June 2018