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**ANTI SLAVERY AND HUMAN TRAFFICKING POLICY**

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## ANTI SLAVERY AND HUMAN TRAFFICKING POLICY

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## PART 1 - TRAINING<sup>1</sup>

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### 1. TRAINING

- 1.1 Current UK Government guidance on transparency in supply chains states that *“training is a fundamental way of raising awareness... [of modern slavery issues]”*. It may be targeted to different groups (e.g. leadership, employees involved in the supply chain) and take the form of e-learning or in-person workshops. The guidance states that *“organisations should think about where training should be targeted to have the most effect.”*
- 1.2 It is important to ensure that employees are provided with training that is appropriate to the roles that they have and the risks they face in those roles. This could include providing awareness training to all employees and/or providing enhanced training to employees in higher risk teams.

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<sup>1</sup> Please note this is a non-exhaustive summary. The full policy should be reviewed and assessed for further training, practical and procedural implications and updates that are specific to your business.

## PART 2 - ANTI SLAVERY AND HUMAN TRAFFICKING POLICY

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### 1. POLICY STATEMENT

- 1.1 Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Melrose Industries PLC and its business units (collectively referred to as the **"Group"**) have a zero-tolerance approach to modern slavery and are committed to acting ethically and with integrity in all the Group's business dealings and relationships and to investing in, implementing and enforcing effective systems and controls to across the Group to safeguard against adverse human rights impacts and ensure modern slavery is not taking place anywhere in its business or in any of its supply chains.
- 1.2 The Group is also committed to ensuring there is transparency in its own business and in its approach to tackling modern slavery throughout its supply chains, consistent with our disclosure obligations under the Modern Slavery Act 2015. The Group expects the same high standards from all of its contractors, suppliers and other business partners.
- 1.3 This policy has been approved by the board of directors of Melrose Industries PLC.
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### 2. PURPOSE

- 2.1 The purpose of this policy is to set out the Group's policy standards and obligations under modern slavery legislation, including in connection with the Group's supply chains. This policy cannot cover all possible facts and circumstances nor all applicable anti-modern slavery laws, which may evolve over time. It is broadly reflective of UK modern slavery legislation, but the General Counsel of each business unit should consider what other anti-modern slavery laws may be applicable to their business unit.
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### 3. WHO IS COVERED BY THE POLICY?

- 3.1 This policy applies to all individuals working at all levels, 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 (collectively referred to as **"Group Associates"** for the purposes of this policy).
- 3.2 This policy also applies to any person, or any organisation, working for or performing a service for or on behalf of the Group – for example, pension trustees, consultants, lawyers, accountants, other business advisers, suppliers, agents, distributors, joint venture partners or other persons whilst they are working for or performing a service for or on

behalf of the Group throughout the world (collectively referred to as “**External Associates**” for the purposes of this policy).

3.3 Group Associates and External Associates are together referred to as “**Associates**” for the purposes of this policy.

3.4 This policy does not form part of any employee's contract of employment and may be amended at any time.

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**4. EMPLOYEE RESPONSIBILITIES**

4.1 All Associates are responsible for ensuring they read, understand and comply with this policy. A business unit may have a specific process or policy in addition to this policy which Associates will need to follow.

4.2 Training on this policy, and on the risk the Group faces from modern slavery in its supply chains, forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

4.3 The Group’s zero-tolerance approach to modern slavery must be communicated to all suppliers, contractors and business partners at the outset of a business relationship with them and reinforced as appropriate thereafter.

4.4 The prevention, detection and reporting of modern slavery in any part of the Group’s business or supply chains is the responsibility of all those working for the Group or under the Group’s control. All Associates are required to avoid any activity that might lead to, or suggest, a breach of this policy.

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**5. MAINTENANCE OF THIS POLICY**

5.1 This policy has been approved by the board of directors of Melrose Industries PLC, who are responsible for ensuring this policy complies with relevant legal and ethical obligations.

5.2 The General Counsel for each business within the Group is responsible for ensuring awareness of and compliance with this policy within their particular business unit.

5.3 Each business within the Group is expected to establish a “culture” of compliance with this policy. The executive team of each business must take direct responsibility for ensuring effective transmission of this policy throughout their business unit, together with relevant guidance and training, and appropriate safeguards, monitoring, and resources, in order to ensure compliance with this policy.

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**6. HOW TO RAISE A CONCERN**

- 6.1 All Group Associates are encouraged to raise concerns about any issue or suspicion of malpractice by a colleague or a third party (such as a customer, supplier, or agent) in any part of the Group or the Group's supply chains at the earliest possible stage. If a Group Associate believes that any part of this policy has been infringed they should refer to the Group's Whistleblowing policy.
- 6.2 If you are unsure whether a particular act, the treatment of workers more generally, or their working conditions within any tier of our supply chains constitutes any of the various forms of modern slavery or a breach of this policy in advance of any action, relevant details should be provided to your compliance manager or business unit General Counsel. Alternatively, follow the procedure as stated within the Group's Whistleblowing policy. No action as to which there is any doubt regarding compliance may be taken without authorisation by your compliance manager or the relevant General Counsel.
- 6.3 Group Associates who raise concerns and report wrongdoing will naturally be concerned about possible repercussions. The Group encourages openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.
- 6.4 The Group is committed to ensuring that no employee suffers any detrimental treatment as a result of raising concerns.
- 6.5 The Whistleblowing policy details the minimum standards to be implemented within each business unit. They can be incorporated into existing policies and procedures that may already be available, or used as drafted. The Group encourages its business units to further develop the minimum standards that are detailed within the policy, as may be deemed necessary for their business.

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**7. CONSEQUENCES OF A BREACH OF THIS POLICY**

- 7.1 Any breach of this policy by a Group Associate may lead to disciplinary action being taken by the Group up to and including termination of employment. Where appropriate, the Group will also liaise with relevant law enforcement bodies.
- 7.2 Any breach of this policy by an External Associate may lead to the termination of the business unit's relationship with that External Associate.
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### PART 3 – KEY TRENDS AND DEVELOPMENTS

*The move towards mandatory human rights due diligence is gathering pace: navigating the constantly evolving human rights landscape is of paramount importance for companies. Companies are already anticipating change by reviewing and refreshing their human rights programmes. This factsheet outlines key trends and developments you should be aware of in this risk area.*

- **The move towards mandatory human rights due diligence is gathering pace.**

In May 2020, the European Commission announced its intention to introduce a legislative initiative to introduce mandatory human rights due diligence in company supply chains. Similar developments have taken place at a national level: for example, the French Duty of Vigilance Law (2017) and the Dutch Child Labour Law (2019) already impose obligations on certain companies to take certain due diligence steps to prevent human rights abuses from taking place in their supply chains. In addition, the German government announced its intention to introduce its own due diligence law before the end of 2021.

- **Companies are increasingly required to report on steps taken to identify and mitigate modern slavery in their supply chains.**

The UK Modern Slavery Act 2015 requires certain companies to publically report on modern slavery risks in their supply chains. Similar public disclosures are required under laws such as the California Transparency in Supply Chains Act 2010 and the Australian Modern Slavery Act 2018. Similar laws have been proposed in Canada and Hong Kong. As a sign of increasing requirements for enhanced transparency, the UK Government announced in September 2020 that it will introduce a requirement for all organisations with a budget of £36 million or more to publish their modern slavery statements on a new digital government reporting service (which is expected to be launched in early 2021). This will radically enhance transparency and make it easier for consumers, investors and civil society to hold organisations to account for the steps they have taken to identify and mitigate modern slavery risks. Public disclosures relating to modern slavery are already closely monitored by NGOs in particular, but this service will only serve to enhance the scrutiny of companies from key stakeholders going forwards.

- **Key stakeholders are increasingly focused on non-financial risks such as human rights risks in the supply chain.**

Increasing expectations from key stakeholders – investors, shareholders and consumers alike – are driving companies to increase their focus on responsible and sustainable business. Stakeholders are putting more emphasis on environmental, social and governance (ESG) factors in making business decisions. A good example is the Norges Bank Responsible Investment Strategy in which the bank states that it expects “companies to integrate human rights into their policies, corporate strategy, risk management and reporting.” These demands have been amplified by the COVID-19 pandemic, which has exposed human rights violations, leading to irreparable reputational damage, weakened investor confidence and diminished company value.

- **Companies are responding to the evolving legal landscape by reviewing their human rights due diligence programmes.**

The increasing stakeholder expectations and reputational risk exposure have already led many companies to (re)consider their human rights due diligence programmes to identify, manage and prevent human rights abuses in their supply chains. This includes (i) carrying out a human rights impact assessment and taking proportionate counter-measures, as well as communicating internally and externally what measures have been taken; (ii) reviewing and reinforcing complaints mechanisms and speak-up programmes; (iii) ensuring the business is well equipped to deal with 'crises'; (iv) reviewing the extent to which their board is equipped to address supply chain risks; and (v) reviewing the role, resources and expertise of the legal and compliance functions, who should play a key part in addressing these new challenges.