



DIVERSITY POLICY

Melrose is a meritocracy and individual performance is the key determinant in any appointment, irrespective of ethnicity, gender or other characteristic, trait or orientation. Melrose has however long understood the importance of diversity and inclusion from the Board level downwards, and the Nomination Committee is responsible for reviewing the diversity policy on an annual basis to aid the development of a diverse Group, and they are responsible for the principles of the policy being implemented throughout the Group.

At a Board level, the Board together with the Nomination Committee places great emphasis on ensuring that its membership and pipeline for succession planning reflects diversity.

The Nomination Committee currently takes into account a variety of factors before recommending any new appointments to the Board, including relevant skills to perform the role, experience and knowledge needed to ensure a rounded Board and the benefits each candidate can bring to the overall Board composition. The Nomination Committee also takes into account race, ethnicity, country of origin, nationality, cultural background and gender in the selection process to ensure a diverse Board and it also strongly encourages Executives to adopt the same approach when making appointments to the Melrose Executive Committee or the wider senior management team. The most important priority of the Nomination Committee, however, has been, and will continue to be, to ensure that the best candidate is selected, and this approach will remain in place going forward.

While recognising that the Melrose “Buy, Improve, Sell” model means the Company inherits the shape of the workforce of the businesses it acquires, the Board nonetheless understands the importance of diversity throughout the workforce, be it geographical, cultural or market aligned and encompassing gender, race, ethnicity, country of origin, nationality, colour, social and cultural background, religion, family responsibilities (including pregnancy), sexual orientation, age and disability.

To support its continued progress on diversity, Melrose is a keen participant in a number of external reviews, such as the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity. Although not appropriate to set specific diversity targets throughout the Group’s workforce due to Melrose’s decentralised business model and frequent turnover of businesses, the principles of this diversity policy apply throughout the Group. Melrose is also actively engaged in supporting initiatives to increase the Group’s diversity and encourages its divisions to do the same.

November 2020