



MELROSE DIVERSITY, EQUITY AND INCLUSION POLICY

Purpose

This Policy sets out Melrose's position on diversity, equity and inclusion in its workforce, and is applicable to all Melrose employees including Melrose senior management. Melrose is an equal opportunities employer and seeks to eliminate all discrimination on the basis of personal characteristics from its operations. The Nomination Committee will review this Policy on an annual basis to monitor its effectiveness, and has responsibility for implementing the Policy.

Principles

- Melrose is a meritocracy and individual performance is the key determinant in any appointment, promotion, remuneration award, or dismissal, irrespective of any personal characteristic, trait, or orientation;
- Melrose has, however, long understood the importance of diversity and inclusivity in its workforce to its long-term success;
- Melrose understands equity as fair access to opportunities and fair treatment, through purposeful actions to remove systemic, group, and individual barriers; and
- Melrose aims to create a workforce which is diverse, equitable, and inclusive, free from bullying, harassment (both non-sexual and sexual), victimisation and unlawful discrimination.

Diversity, equity and inclusion in the workforce

The Nomination Committee understands the importance of diversity, equity and inclusion throughout the Melrose 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. The principles of this Policy apply throughout the Group, and Melrose's divisions are encouraged to promote diversity.

To support its continued progress on diversity, and recognising the diversity targets set out in the Financial Conduct Authority's Listing Rules and the targets set out in the FTSE Women Leaders Review on gender diversity, Melrose aims to maintain in aggregate at least 40% female representation within its Executive Committee and direct reports. Furthermore, Melrose recognises the recommendations in the latest Parker Review report for FTSE 350 companies to set a percentage target for senior management positions that will be occupied by ethnic minorities in December 2027. With the recent fundamental shift in Melrose's business strategy to becoming a standalone aerospace company, key leadership changes are taking place within the Group. Ethnic diversity data is being sought from senior employees across the newly reshaped and combined organisation with the intention of setting an appropriate target during the course of 2024.

Beyond the senior management population, Melrose is actively engaged in supporting initiatives to increase the diversity of its workforce, and to improve socio-economic and ethnic diversity within the engineering sector as a whole. Melrose is also a member of the Business Disability Forum, which works with the business community to understand the changes required in the workplace to improve accessibility for disabled employees.

Melrose will not tolerate any form of unlawful discrimination, bullying, harassment or victimisation in the workplace, and will fully investigate reports of such behaviour. Employees who are found to have participated in such behaviour may be subject to disciplinary action or dismissal.

December 2023