



**MELROSE DIVERSITY, EQUITY AND
INCLUSION POLICY**

1. 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.

2. 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 equal 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.

3. 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, social and cultural background, religion, family responsibilities (including pregnancy), sexual orientation, age, disability, neurodiversity and socioeconomic status. The principles of this Policy apply throughout the Group, and Melrose's divisions are encouraged to promote diversity, equity and inclusion.

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. Following significant changes at senior leadership level during 2024 as Melrose's business strategy shifted fundamentally to becoming a standalone aerospace company, Melrose no longer meets the target for at least 40% female representation within its Executive Committee and direct reports. However, significant progress has been made through a number of positive actions towards meeting the target again. 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. Having sourced and reviewed ethnic diversity data in relation to senior employees across the newly reshaped and combined organisation, Melrose set a target for 13% of its UK-based senior employee population to comprise individuals identifying as minority ethnic by 31 December 2027 (representing a 4% increase from the position as at 30 June 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 will not tolerate any form of unlawful discrimination, bullying, harassment, sexual 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 2024