



## 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 2018 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.

The Melrose Group operates on a decentralised basis and the Board has established an organisational structure with clear reporting procedures, lines of responsibility and delegated authority between it and each of its business units. The integrity of our compliance framework is further reinforced by the use of independent assurance and compliance audits.

Where required, a number of our business units produce their own modern slavery statements, which contain further detail on the steps taken by those businesses to ensure compliance with their obligations in this area. Those statements are available from their websites.

A list of our portfolio companies as at 31 December 2018 can be found on pages 184 to 191 of our 2018 Annual Report: <https://www.melroseplc.net/media/2414/melrose-industries-plc-annual-report-2018.pdf>.

### **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 firstly undertakes appropriate due diligence on businesses it acquires to ensure that the supply chains are assessed. Post-acquisition, Melrose embeds its groupwide internal policies, including a policy on the prevention of modern slavery and human trafficking, 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, to support its compliance policies.

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. For example, since the acquisition of GKN plc in 2018, we have worked with the legal and compliance teams of each division to ensure that training in this area is made available to employees as they determine to be appropriate.

### **Whistleblowing**

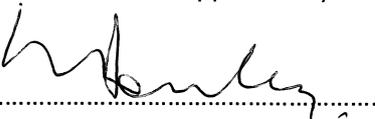
As an organisation Melrose understands that we must lead by example but that ultimately our businesses' employees are most likely to encounter potential human rights issues. For this reason, Melrose provides a fully confidential, whistleblowing portal for all employees enabling them to raise any issues 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 businesses or their respective supply chains 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 grievances 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 11 June 2019.

  
.....