



## **IMI plc Supply Chain Policy Guideline**

### **1. Chief Executive's Introduction**

This guideline on IMI's business practices, human rights, working conditions and the environment in the supply chain is one of a series of governance policies contained in 'The IMI Way' that are communicated throughout the Group to underpin IMI's values.

IMI sources components, materials and services for its manufacturing and sales operations from many countries around the world. We recognise that there are local and national differences in standards in relation to many aspects of the manufacturing and wider business environment. However, we also recognise that there are a number of minimum standards that must be achieved by all. IMI has documented its own internal standards on ethical business and procurement practice in 'The IMI Way'; a code of responsible business document that is available on the corporate website ([www.imiplc.com](http://www.imiplc.com)).

The Board of IMI plc has endorsed this supply chain policy in association with 'The IMI Way', and expects all IMI businesses and employees to comply with it. The Executive Committee is responsible for the detailed oversight of the operation of all aspects of 'The IMI Way' including this policy and reports to the Board as and when appropriate matters arise and with an annual review.

### **2. Policy Objectives**

It is our objective that IMI will:

- Only trade with suppliers that meet or exceed these minimum standards, or with suppliers that can demonstrate progression towards these standards over an agreed and suitable timescale.
- Act according to the published IMI Way guidelines in relation to supply chain and procurement activities.

### **3. Policy commitments – IMI's Requirements of Suppliers**

It is IMI policy to work only with suppliers that provide us with the goods and services that we need whilst not exposing their employees, or their local environment to unacceptable risks.

Each IMI company must ensure that suppliers comply with or exceed the following requirements:

- Suppliers will comply with all appropriate local legislative requirements
- No forced, bonded or involuntary prison labour will be used
- No children are to be employed by IMI's suppliers. We support the long-term objective to eliminate child labour consistent with the United Nations Convention on the Rights of the Child
- Employees of our suppliers shall be paid wages and benefits for a standard working week that meet or exceed minimum national requirements
- Employees of our suppliers shall work hours that comply with national laws
- Our suppliers shall protect the health and safety of their employees to standards in keeping with local expectations of good practice
- Our suppliers shall protect the environment to standards in keeping with local expectations of good practice

Failure to comply with any agreed improvement plan would result in review and possible termination of the contract. IMI Companies must also have appropriate checks in place within their procedures to ensure that these issues are addressed.

#### 4. Policy commitments – IMI’s Commitments to Suppliers

According to The IMI Way code of responsible business, IMI commits to pursue excellence and deliver results, innovate and provide value to our customers, and act with integrity.

Supply chain features in this code of conduct, and IMI commits to the following in relation to supply chain and purchasing activities:

##### Suppliers Business Practices

- IMI will ensure that agents or any other representatives acting on the company’s behalf know about applicable company policies when working for IMI. IMI will not use another party to perform a task that IMI company employees are not permitted to perform.

##### Purchasing Practices

- IMI companies will use a procurement process that is fair and seeks the best value for the cost of purchases.
- Where possible, procurement processes will rely on factual, objective information, based on materials that are provided to all relevant suppliers. This process will not discriminate against a potential supplier based on improper considerations, such as its management’s gender, race, nationality or age.

##### Fair Competition

- IMI will ensure fair competition in its supply chain at all times, avoiding fixing prices or rigging purchasing bids.

##### Business Partner Reviews

- IMI companies will conduct appropriate reviews of potential business partners to ensure that the level of risk is appropriate for the business. Reviews should consider assessment of information relevant to the anticipated relationship with the potential partner, which may include financial soundness, legal matters, employment practices and ethics and compliance.

##### Fair & Ethical Dealings

- IMI employees will conduct business fairly, and never misrepresent themselves, the company or its products or services. Employees will not try to obtain advantage through dishonest, corrupt or other fraudulent or unlawful activities.

#### 5. Reporting of breaches and accountability

Any employee or business partner who becomes aware of any existing or potential breach of this policy is required to notify the Group Supply Chain Director promptly. If preferred, concerns may be reported in accordance with the Company’s Whistleblowing Policy ([imihotline.com](http://imihotline.com)).

#### 6. Enquiries

All enquiries in relation to this policy or its applicability to particular situations should be addressed to the Group Supply Chain Director.

Signed by:



M J Lamb  
Chief Executive on behalf of IMI plc



N Adcock  
Group Supply Chain Director