

Statement from IMI plc (“IMI”) in relation to the steps taken to prevent slavery and human trafficking pursuant to the Modern Slavery Act 2015 (“the Act”), the California Transparency in Supply Chain Act of 2010 (“CTSCA”) and the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz “LkSG”).

This statement has been published in accordance with S.54(1) of the Act and sets out the steps IMI has taken during the financial year ending 31 December 2022 to ensure that slavery and human trafficking is neither taking place in its own operations nor in its supply chains. IMI recognises other jurisdictions in which we trade have similar relevant legislation covering human rights in the extended supply chain. IMI is a specialist engineering company, employing over 10,000 employees in 50 countries, that designs manufactures and services highly engineered products that control precise movement of fluids. We help some of the world’s leading companies operate their processes more safely, sustainably, and productively. Further information on IMI’s organisational structure can be found via the following link <https://www.imiplc.com/what-we-do>.

The latest report from the International Labour Organisation indicates that nearly 28 million¹ people are in situations of forced labour, or one in every 286 workers. Responsible Business underpins our sustainability strategy and ensuring we prevent slavery and human trafficking forms a key part of this. Integrity and doing the right thing at all times is also one of our core values; this ensures that our commitment to our acting ethically and fairness (including our commitment to our Modern Slavery statement) is at the forefront of our minds. IMI is committed to ensuring that Modern Slavery forms no part of our workforce or our supply chain.

In 2022 we have: -

- Released a more comprehensive Code of Conduct
- Strengthened our Supplier Code of Conduct
- Issued a new Solar Panel Sourcing Policy due to concerns over the use of forced labour in the Xinjiang Uygur Autonomous Region (“XUAR”)
- Performed due diligence for the future compliance with LkSG by providing additional training and audited our teams’ compliance with existing IMI policies.

Our processes and in-house training enable us to declare that we are compliant with CTSCA at IMI Critical Engineering LLC. On 1 January 2023 LkSG became effective and will apply to IMI from 1 January 2024. All Acts oblige companies to disclose their efforts to eradicate slavery and human trafficking from their direct product supply chains for the goods that they offer for sale. This Statement addresses the endeavours undertaken by IMI plc and its businesses to comply with these Acts. The acquisition of Heatmiser UK Ltd was completed on 28 December 2022. We aim to harmonise their policies and procedures in line with the contents of this statement as soon as practicable.

1. The IMI Code of Conduct

IMI continues to believe all companies must take their role seriously in preventing modern day slavery and human trafficking. IMI utilises a combination of general corporate responsibility policies and specific supply chain compliance actions to combat modern slavery in its supply chain. These include; the IMI Code of Conduct, IMI Supplier Code of Conduct, Divisional New Supplier Approval Process, IMI Standard Procurement Contracts and relevant staff training.

¹ Global Estimates of Modern Slavery “Forced Labour and Forced Marriage” – ILO (Sept 2022)

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IMI's values – customer intimacy, playing to win, integrity and one big team – embrace all of our activities.

In December 2022 we launched our new and more comprehensive Code of Conduct setting out, in greater detail, IMI's commitments on a wide range of issues (including human rights) and what in turn are our expectations of our employees and those companies who with us. Our Code of Conduct aims to cover all aspects of the way we conduct business, from anti-bribery & corruption, data privacy, to our environmental responsibilities.

Our policies are designed to ensure that we do not involve forced labour or human trafficking in the manufacture of our own products or in any of our operations. IMI is also committed to sourcing our services and raw materials responsibly. This means that we have a process to identify the origins of conflict minerals in our supplies, and are committed to ensuring they originate from legal, audited mines. We ask all of our suppliers of products containing conflict minerals to take immediate action to identify their origins in the products they supply to us.

The IMI Code of Conduct states that: -

- *We expect our suppliers to be committed to ethical business practices, reduce their impact on the environment and operate in line with the IMI Supply Chain Code of Conduct.*
- *We set and implement policies and procedures (including the IMI Supply Chain Code of Conduct) to ensure responsible sourcing.*
- *We ensure that our HR and procurement teams are trained to monitor, detect and take steps to prevent child, forced or trafficked labour.*
- *We ensure fair competition in our supply chain by treating suppliers fairly, never fixing prices or rigging purchasing bids.*
- *All must ensure that suppliers are onboarded appropriately and continually monitored, addressing any shortfalls that arise.*
- *Anybody who suspects unethical behaviour should Speak Up and report the matter.*

The 'Speaking Up' section of the Code of Conduct also refers to IMI's whistleblowing policy, which includes the IMI Hotline, a third-party reporting service which allows employees to raise concerns in confidence, and if necessarily anonymously. Matters raised through the IMI Hotline or via other methods by employees and third parties are reviewed by the Ethics & Compliance Committee, which includes three members of the IMI Executive and is chaired by the Head of Group Risk & Compliance. IMI's Board reviews the nature of reports received by the Committee in order to ensure there are effective mechanisms in place to receive concerns, and that such concerns are properly investigated and that there are no recurring trends that would suggest underlying cultural or ethical issues in the Group. Since the creation of the Act there have been no suspected cases of modern slavery or human trafficking reported through the IMI Hotline or into our Ethics & Compliance Committee.

You can find out more about the Code of Conduct on this website by following this link: <http://www.imiplc.com/esg/governance>

2. Divisional New Supplier Approval Process

Each of our three divisions (IMI Critical Engineering, IMI Precision Engineering and IMI Hydronic Engineering) has their own New Supplier Approval procedure which requires an ethical declaration from suppliers to confirm that they do not engage in any forced labour and that they abide by all applicable local labour laws.

3. IMI Supplier Code of Conduct

The Supplier Code of Conduct covers a range of issues from bribery and corruption, providing safe and healthy workplaces, safeguarding the environment and labour standards. The Supplier Code of Conduct was enhanced in June 2022 setting out our additional requirements on suppliers improving their health and safety practices, reducing our carbon footprint, ensuring data privacy and ensuring that IMI's requirements are cascaded down through their supply chain.

Our Supplier Code of Conduct process provides a structured approach to ensuring our suppliers are managing their businesses responsibly and are not engaged in human slavery or trafficking. It specifically states that: -

- Suppliers will comply with all appropriate local legislation
- No forced, bonded, child or involuntary prison labour will be used
- Supplier's employees shall be paid wages and benefits for a standard working week at least in line with national requirements and have work hours that comply with national laws
- All our suppliers shall take responsibility to protect the health & safety of their employees.

We have identified our electronics supply chain as a higher risk area. We have an IMI Responsible Minerals Sourcing Policy and have established a programme to investigate our suppliers of tin, tantalum, tungsten and gold (otherwise known as "conflict minerals") within our electronic products, back to the smelters of these minerals. Whilst we do not buy directly from smelters, we work with our suppliers to ensure smelters are fully audited, reputable and meet the standards established by the Responsible Minerals Initiative www.responsiblemineralsinitiative.org, thus reducing the risk of human rights abuses in our supply chain.

Each division assess the specific Supplier Code of Conduct risks in their supply chains and audit any high-risk suppliers. This current practice results in audits taking place in what we consider "high risk" areas for all aspects of supply chain risk including any forced labour risk.

One such area is the XUAR. The US Uyghur Labor Prevention Act determined that:

"any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part" in the XUAR should be assumed to be the product of forced labor unless proven otherwise by clear and convincing evidence."

IMI is aware that c45% of global polysilicon production comes from the XUAR. As part of our Better World strategy, in September 2022, we introduced the requirement for additional written confirmation from suppliers of solar panels that no element of our supply chain originates from the XUAR.

4. IMI Standard Procurement Contracts and Training for colleagues

IMI has standard procurement contracts which contain provisions that oblige suppliers that no forced, bonded or involuntary prison labour will be used and that no children under 16 years old are to be employed. The personal data of IMI's employees (including temporary labour) are checked against official documentation to ensure eligibility to work in that jurisdiction.

IMI updates and trains its procurement professionals to monitor, detect and take steps to prevent forced or trafficked labour on visits to suppliers. This is carried out by an online training module "IMI:Modern Slavery: Implications for IMI and our Supply Chains" which has been specifically

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developed by IMI for our people and available to all staff via IMI Learn, our learning management platform. The module covers: -

- The evolving legal framework
- Products and locations which are more susceptible to slave labour
- Indicators to look out for which may indicate modern slavery (deception, excessive overtime, withholding of wages, violence, living on-site, debt bondage)
- IMI's expectations and the policies and procedures in place to prevent the use of modern slavery in our supply chain

The above module is compulsory for all procurement professionals within the organisation and to date we have trained nearly 800 staff.

In advance of the onset of the LkSG and the EU Due Diligence Directive we launched an additional ESG training programme for our procurement teams which included product compliance and human rights in the supply chain. We also followed up the training with an audit of the top 38 facilities across IMI to ensure each site is adhering to the 3-key supply chain policies (Supply Chain Code of Conduct, Responsible Minerals Sourcing, Modern Slavery Statement). To assist us on investigating product compliance we have partnered with, a specialist consultancy, Assent, who have supported us across 4000 suppliers covering 130,000 components in 265,000 products.

This statement was approved by the Board of IMI plc.

Roy Twite
Chief Executive Officer

1 March 2023

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This statement is made on behalf of:-

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| Group company | - | IMI plc |
| UK subsidiaries | - | Heatmiser UK Ltd
IMI Kynoch Limited
IMI Precision Engineering Limited
Norgren Limited |
| California based subsidiaries | - | IMI Critical Engineering LLC |