
IMI Germany Holding B.V. & Co. KG German Supply Chain Due Diligence Act Policy Statement



1. ABOUT IMI

IMI is a specialist engineering company that designs, manufactures and services highly engineered products that control the precise movement of fluids. Our innovative technologies built around valves and actuators enable vital processes to operate safely, sustainably, cleanly, efficiently and cost effectively. We employ around 10,000 people, have manufacturing facilities in 19 countries and operate a global service network. IMI plc is listed on the London Stock Exchange and we are a constituent of the FTSE4Good Index. Further information is available at www.imiplc.com.

IMI plc, headquartered in England, serves as the ultimate parent company of the companies within the IMI group. IMI Germany Holding B.V. & Co. KG, the parent company for all of IMI's German subsidiaries collectively known as "IMI Germany", is also a part of this group, referred to as the "IMI Group". Under the German Supply Chain Due Diligence Act (Lieferkettensorgfaltspflichtengesetz - LkSG), it is mandatory for impacted companies to maintain human rights and environmental standards in their supply chain as well as their own operations. IMI Germany is required by the law to release a policy statement outlining the steps taken to adhere to these standards.

The IMI Group is already committed to ethical and sustainable practices. This policy statement represents a further advancement in our promise as a group to operate responsibly and uphold the highest standards, not only within our own operations but also throughout our supply chain.

2. DOING THE RIGHT THING

Our commitment to human rights and the environment

Doing the right thing, always, is inherent in our purpose to deliver Breakthrough Engineering for a better world. Integrity is one of our core values and underpins everything we do. We have an established framework which demands the highest standards of ethics, legal and regulatory compliance across all our businesses to ensure the protection of human rights and the environment.

Our Code of Conduct sets out the standards our stakeholders can expect from us and what we expect from our people and our business partners, including our suppliers. We launched a revised Code of Conduct (available in our core spoken languages) in December 2022 along with compulsory training to ensure that all IMI employees understand our expectations and are clear about how to raise any ethical concerns or dilemmas. We have detailed standard operating procedures underpinning our Code of Conduct and appropriate compliance processes including an Environmental Policy, Health & Safety Policy, Inclusion & Diversity Policy, Modern Slavery statement, Responsible Minerals Sourcing Policy, Supply Chain Code of Conduct and Speaking Up Policy.

Our HR and procurement teams are trained to monitor, detect and take steps to prevent child, forced or trafficked labour; ensure fair working conditions, pay and working hours in line with applicable national and international laws; ensure the provision of equal opportunities – we do not tolerate any form of discrimination including on the grounds of race, gender, religion or belief, nationality, political views, sexual orientation, social status, age, or physical or mental characteristics; and adhere to occupational health and safety laws globally.

Our ESG pillars are Empowering People, Sustainable Solutions and Climate Action and a focus on Responsible business. We are committed to acting responsibly and seek to minimise or eliminate any negative impact our businesses may have on our communities, our wider stakeholders, and on the environment. We will play our part to address climate change and protect the planet by minimising the environmental impact across everything we do. We engineer solutions for our customers that promote safety, sustainability and enable a greener future and we develop and empower people to make an impact and create a better working world. Our sustainability strategy, *Creating a Better World*, sets out the most important priorities for our business and for our stakeholders.

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We address climate change by minimising the environmental impact across everything we do including energy, water, waste, single use plastic elimination, reduction in the use of hazardous materials, installing renewable energy generation and heat recovery. We monitor and report our environmental performance and have explicit and measurable goals including halving our CO2 intensity (Scope 1 and 2) from the 2019 baseline by 2030. Please see the IMI plc website for additional sustainability information www.imiplc.com.

To strengthen our reporting and give a greater level of transparency, we disclose in line with the Global Reporting Initiative (GRI). We have developed a framework to capture the required data across the various ESG categories to align with the GRI. We also continue to use the CDP to report Greenhouse Gas (GHG) emissions as well as water security. We will continue to invest in systems and processes to help us with our reporting requirements. We ensure that those assigned with environmental responsibilities are adequately trained and have access to the necessary resources.

Our ESG initiatives are consistent with building our standing as a good corporate citizen looking to have a positive impact on the world. We regularly monitor and review procedures including Internal Control Declarations, spot checks and on-site legal and compliance reviews, which are designed to help instill the highest standards of regulatory compliance. These policies and procedures are embedded in our risk assessment processes.

3. CREATING A BETTER WORLD GOVERNANCE

We operate both a ‘top down’ and ‘bottom up’ approach to our ESG agenda.

Area	Roles		Responsibility
Board	Chief Executive	Communicating strategy through the organisation	To approve the Creating a Better World strategy and ensure ESG issues are considered as part of the Group's purpose, strategy and objectives. Oversees progress against targets. Assesses climate-related risks
	Non-executive director with designated responsibility for ESG		To set direction and ESG focus areas relevant to IMI To oversee ESG initiatives and provide regular updates to the Board Making sure the right people and resources are in place to achieve our ESG objectives
Executive	Executive Sponsor for Better World Team		A cross-divisional and functional team, co-ordinating ESG initiatives across the Group Responsible for recommending ESG strategy, developing plans for its implementation, and establishing structures, measures and validation plans that deliver to Group targets. Routinely reports to Board and Executive Developing external and internal communication plans in parallel to the above Managing IMI's relationships with external consultants and agencies
	Platform CEOs		
Better World Team	Head of Sustainability	Communication of activities and initiatives	
	Platform co-ordinators		
	Sector champions		
	Head of Health, Safety & Environment		
	Group Financial Controller		
	Head of Engagement & Communications		
	Head of Global Wellbeing		
Governance Team			
Investor Relations Analyst			
VP Supply Chain			

This allows the IMI Board and the Executive Committee to review and assess ESG strategy and activities. It also ensures that ESG progress and initiatives are managed at multiple levels and that key ESG information is communicated effectively across the IMI Group.

The Managing Director of IMI Germany Holding B.V. & Co. KG meets on a quarterly basis with the Country Management Board to discuss ESG matters. A Human Rights Officer has also been appointed who is responsible for the implementation of the LkSG and monitoring of IMI Germany's due diligence obligations. The Human Rights Officer has access to necessary and relevant information to undertake their role and is

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supported by other corporate functions including, Supply Chain, Procurement and Legal. The Human Rights Officer provides updates to the management of IMI Germany who in turn will update the IMI Board and Executive.

4. OUR SUPPLY CHAIN

Our suppliers' commitment to human rights and the environment

We expect our suppliers to be committed to lawful and ethical business practices, reduce their impact on the environment and operate in line with our Supply Chain Code of Conduct which serves to reinforce our fundamental values and Code of Conduct. Our suppliers are subject to IMI's Global Supplier Onboarding Policy to ensure we maintain a sustainable, ethical and resilient supply chain and actively choose those who respect and promote the protection of their stakeholders, their employees and the environment.

We also expect our suppliers to respect, and adhere to, our commitment to protect human rights and the environment by abiding by the prohibition of child, forced or trafficked labour; ensuring fair working conditions, pay and working hours in line with applicable national and international laws; providing a work environment of equal opportunities and free of any form of discrimination including on the grounds of race, gender, religion, nationality, political views, sexual orientation, social status, age, or physical or mental characteristics; respecting freedom of speech and coalition and the right to privacy; adhering to occupational health and safety laws globally.

Additionally, our suppliers must protect the environment to minimise environmental pollution and make continuous improvements in environmental protection including minimising waste generation and managing resources sustainably, promoting reuse and recycling. Suppliers must adhere to the Basel Convention on the import and export of hazardous wastes. All chemicals at our suppliers' location must be managed responsibly. Suppliers are prohibited from using Mercury and EU Persistent Organic Pollutants in the supply chain to IMI (as detailed in the Minamata and Stockholm Conventions).

We continue to promote the protection of human rights and the environment with our direct suppliers and aim to roll out specific training for them in 2024.

Risk analysis and management of our suppliers

We take a risk-based approach to our supply chain due diligence. Our Global Supplier Onboarding Policy sets out the mandatory approval process that must be followed for all direct material suppliers. The approval process also applies to IMI Germany's direct service suppliers. These suppliers are risk assessed and prioritised against known risks including industry sector, location and size of organisation. Following completion of the risk assessment, suppliers are classified as low, medium, or high-risk and managed accordingly. If concerns are identified, we work with suppliers to implement corrective measures.

High-risk suppliers are identified based on a range of parameters, including known risks (e.g., financial standing and reputation), industry and location. All high-risk suppliers are subject to a self-assessment which may lead to an onsite audit. The audit process helps identify human rights and environmental risks in our supply chain.

All new suppliers are required to sign and adhere to the IMI Supply Chain Code of Conduct before we can procure products from them. Existing high and medium risk suppliers are also required to sign the IMI Supply Chain Code of Conduct and complete all corrective actions stipulated by IMI. We decline to have dealings with suppliers who refuse to sign the Supply Chain Code of Conduct and cannot evidence that they have equivalent values and standards in place or display poor business conduct.

5. COMPLAINTS PROCEDURE

We expect all employees and business partners to act with integrity and demonstrate the highest standards of responsible and ethical behaviour. Everyone has a responsibility to speak up when we see others not living up to these values and behaviours and help stop this conduct. IMI nurtures an environment in which everyone feels safe speaking up, whatever the issue. We maintain an independently operated IMI Hotline

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available 24/7 for everyone to use. Anyone with an ethical, human rights or environmental concern about IMI or its supply chain can contact the helpline by visiting www.imihotline.com. All reports are handled by an independent team confidentially and, where permitted by law, anonymously.

We will not tolerate harassment of or retaliation against anyone raising a genuine concern. The efficiency of the complaint handling procedure is evaluated annually and on a case-by-case basis when there are modifications to the law or our internal procedures, and adjustments are made as needed. IMI Germany has published rules of procedure for the already existing complaint procedure on the IMI plc website.

6. REMEDIAL ACTION

If there is a breach of human rights or environmental standards within our operations or by our direct suppliers, we will promptly take corrective measures to stop or limit the violation. The specific corrective action will be determined by the nature of the violation and will be assessed individually. If a direct supplier is involved in the violation, IMI Germany will collaborate with the supplier to devise and execute a plan to rectify the violation. If the supplier delays, impedes, or refuses to take corrective action, we will decide on specific measures, which could include terminating the business relationship. We evaluate the effectiveness of these corrective measures on an annual and as-needed basis.

7. DOCUMENTATION AND REPORTING

We report annually on the fulfilment of our human rights and environmental due diligence requirements for the previous financial year to the competent authority and publish it on the IMI plc website. In addition, we document the fulfilment of our due diligence requirements on an ongoing basis within IMI Germany. The documentation on the processes described in these principles is stored in line with statutory requirements.