

SUPPLY CHAIN POLICY

1. Chief Executive's introduction

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

IMI sources components, materials and services for its manufacturing process 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.

The Board of IMI plc has endorsed this policy and expects all IMI businesses and employees to comply with it. The Executive Committee is responsible for the detailed oversight of the operation of the policy and reports to the Board as and when appropriate matters arise and with an annual review. This policy may be amended only by resolution of the Board of IMI plc.

2. Policy objectives

It is our objective that IMI will only trade with suppliers:

- that meet or exceed these minimum standards, or
- can demonstrate progression towards these standards over an agreed and suitable timescale.

3. Policy commitments

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. Reporting of breaches and accountability

Any employee 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.

5. 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:

A handwritten signature in black ink, appearing to read 'M J Lamb', written in a cursive style.

M J Lamb, Chief Executive
on behalf of IMI plc

Dated: 24 January 2006