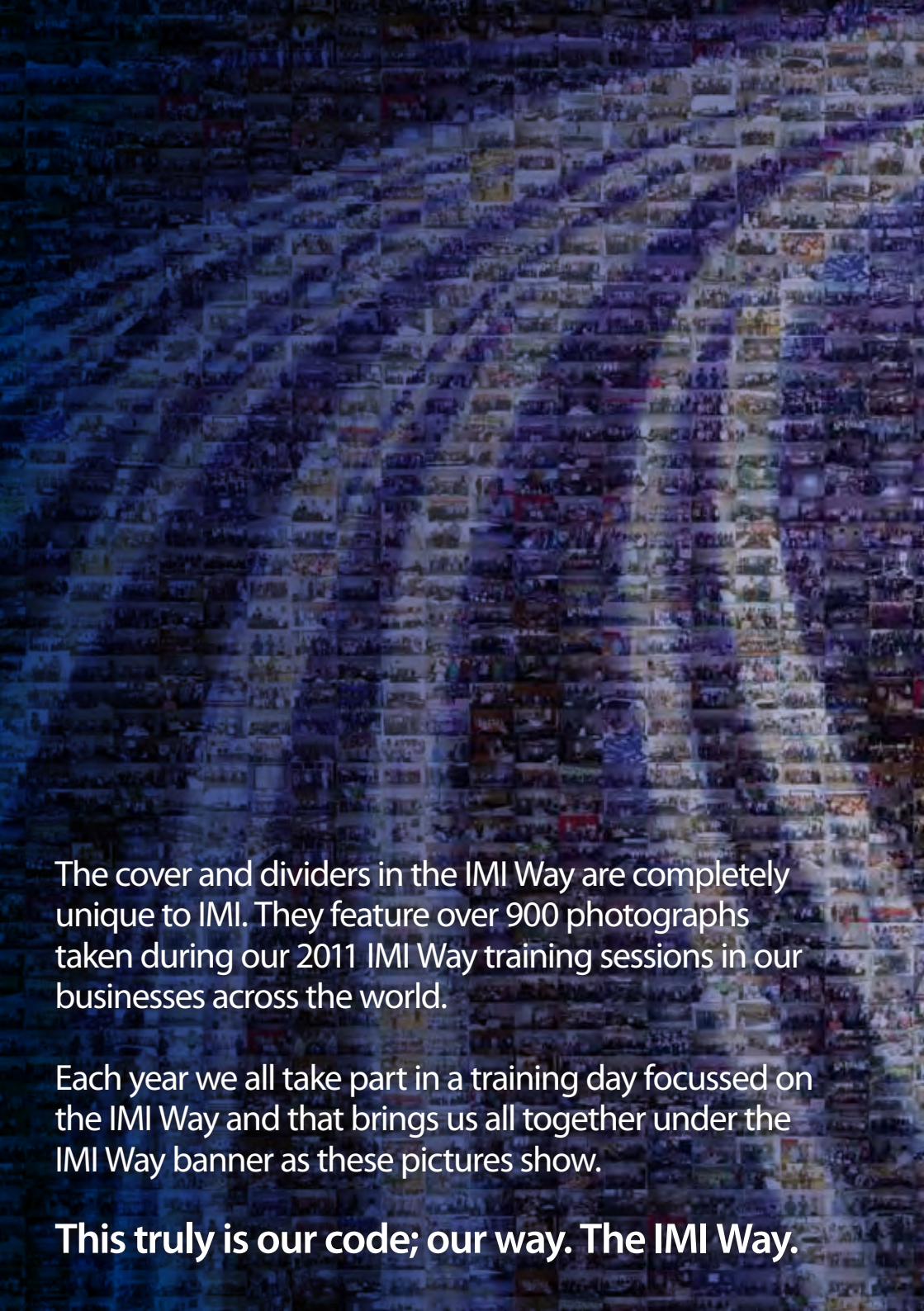




**The
IMI
Way**



The cover and dividers in the IMI Way are completely unique to IMI. They feature over 900 photographs taken during our 2011 IMI Way training sessions in our businesses across the world.

Each year we all take part in a training day focussed on the IMI Way and that brings us all together under the IMI Way banner as these pictures show.

This truly is our code; our way. The IMI Way.



**The
IMI
Way**



Martin Lamb

Chief Executive, IMI plc

It is IMI's goal to become the most admired and most innovative engineering solutions company of our size anywhere in the world.

We believe that admiration comes not only from great products and services, delivered by dedicated people to world class customers, but from the way we go about business. Our way is the IMI Way. This is our value system and it is the foundation of our approach to business. Wherever you are in the world, as an IMI person, you should strive to meet the high standards set by the IMI Way in everything you do.

Our pursuit of our values of innovation, excellence and integrity is something of which we are rightly proud. It sets us apart from our competition and means that all of our stakeholders can feel confident in their dealings with us. For us, as employees, it provides a unifying bond and is our roadmap to fulfilling our maximum potential.

This code sets out the key elements of the IMI Way, and I know many of you have been involved in providing the real life stories in here which illustrate what these key elements mean to us. Please take time to read them, learn what our standards mean, and embrace not only the letter, but the spirit of the words.

It is our code; our way. The IMI Way.

A handwritten signature in black ink that reads "Martin".

Martin Lamb, Chief Executive



The IMI Way

This code is designed to set a tone and a spirit for us to live by, it is not, and never could be, an exhaustive explanation of the IMI Way. Here we set out our values and standards which help us engage in honest discussions and interactions with our colleagues and other stakeholders such as customers, business partners, communities and investors.

At the end of each standard there is a guidance about where to go for more information and the detailed policies, procedures and processes which support the code. We all take responsibility for ensuring that we are fully aware of the contents of those more detailed documents as they relate to our roles. To the extent that our code, or our supporting policies, require a higher standard than commercial practice or applicable laws, rules or regulations; we adhere to our higher standards.

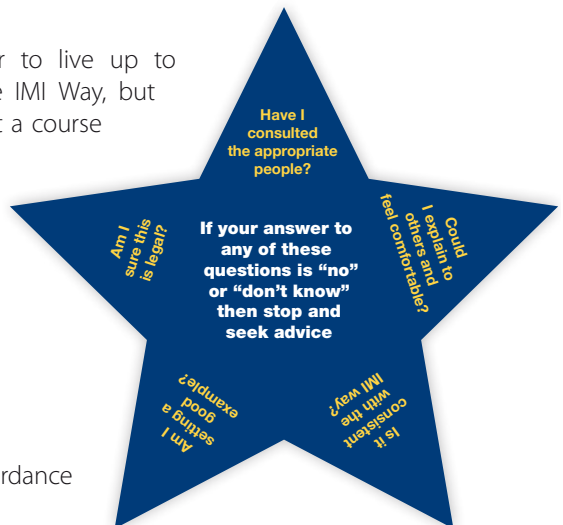
The IMI Way applies to all directors, officers, employees and other persons acting in similar capacities for the IMI Group. Throughout this code, 'we', 'our' and 'the company' refer to the IMI Group and all of its activities, subsidiaries and partially-owned businesses. Where appropriate, the IMI Way applies to the business partners and other third parties with whom we work.

How do we live the IMI Way?

We should all help each other to live up to the standards and values of the IMI Way, but whenever we are in doubt about a course of action, we should also use the STAR Guide:

Stop Think Act Reflect

to ensure that we are acting in accordance with the IMI Way.





Our values



We pursue excellence and deliver results.

This means we:

- honour the promises and commitments we make to all our stakeholders;
- are passionate about delivery, taking pride in our work;
- are disciplined in the way we execute our plans;
- take accountability for results;
- strive for the highest professional standards;
- provide the highest quality products and services and can be relied on to do so;
- continuously learn and improve the way we do business; and
- invest in the development of our people to enhance their performance and capability.

We innovate and provide value to our customers.

This means we:

- build strong and professional relationships with our customers;
- listen and respond to our customers' needs;
- manage our resources and drive our actions to satisfy our customers;
- work together and take pride in creating value for our customers;
- capitalise on our technical know-how to create Engineering Advantage;
- create solutions, products and services that meet our customers' needs;
- solve problems with imagination and creativity; and
- bring value to our customers and partners.

We act with integrity.

This means we:

- demand the highest ethical standards from ourselves, our partners and suppliers;
- are honest and have the courage to 'do the right thing' always, even if that means some short term difficulty or discomfort;
- create a culture where our employees can consistently make the right choices;
- will not compromise on the health and safety standards for our people and those to whom we have a duty of care; and
- respect all our stakeholders, and the environment and communities in which we operate.



Our standards

Our standards are our roadmap to doing the right thing. We believe in the following standards:



We are committed to our collective health and safety and do our best to ensure we all work in a safe and healthy working environment.



We treat each other with professionalism and respect at all times.



We work in an open and honest environment where bribery, corruption and fraud are not acceptable. We rely on the merits of our technology, the excellence of our products and people, and our customer service to sell our products.



We have a duty to separate job responsibilities and personal interests and to disclose actual and potential conflicts of interest.



We are committed to fair competition in the markets in which we operate.



We maintain the books of account and ensure that the financial and management accounts are prepared in an accurate and timely manner and that the appropriate internal systems of control are in place and operating effectively.



We convert lawfully obtained industry knowledge and market insight into solutions, which create competitive advantage for our business and customers.



We ensure that our goods, technology and services are supplied in a way that is consistent with relevant import and export control and licensing laws.



We believe that we have a duty to conduct our business in a responsible way to respond to the needs of our environment and those around us.



We have an individual responsibility to safeguard company resources and information and use them efficiently and appropriately, protecting confidentiality and complying with appropriate inside information regulations at all times.



Our standards

More information is provided on each of these standards in the following sections and you can always seek guidance from your manager, Human Resources contact or any of the specialist teams in relation to a particular area.



Health and safety





Health and safety

We are committed to our collective health and safety and do our best to ensure we all work in a safe and healthy working environment.

What do we mean?


We have a zero-accident mentality and have developed standard procedures and detailed plans for safety in our workplaces, which also adhere to local government rules and regulations.

We all have the responsibility to share concerns regarding the safety and security of all of us.

We always carry out our business in such a manner as to prevent incidents which may result in personal injury, illness or damage/loss of assets. This includes trying always to spot the potential for an accident and preventing it, wearing the proper equipment and following safe operating procedures. We also ensure that we receive adequate training and hold the required certifications to operate equipment and handle hazardous goods safely.

We ensure that the design and operation of our facilities prevent losses and/or the interruption of business. All of us are responsible for inspecting, evaluating and controlling all process changes and work procedures in order to maintain a safe, secure work environment.

If any incidents arise, or any deficiencies are identified, we will report them immediately through the appropriate channels. We promptly investigate, document and take appropriate action in response to any report. Complying with health and safety regulations is a responsibility for every one of us, and an important measure of our individual, as well as operational and collective, performance.

Additionally, we respect the health and safety of others with whom we deal. We respect internationally-recognised human rights standards, such as the United Nations Universal Declaration of Human Rights, and other relevant international conventions and guidelines. 



Health and safety

What do we mean?

Further we ensure that we:

- do not employ child labour or forced, bonded or involuntary prison labour;
- provide a safe and hygienic working environment based on applicable standards, the prevailing knowledge of the industry and any specific hazards;
- do not jeopardise the health or safety of those living near our operations or those using our products;
- minimise the impact of operations and products on the environment;
- pay wages and benefits for a standard working week that meet or exceed minimum national requirements; and
- ensure that our working hours comply with applicable laws.

Where to go for more

IMI Responsible Business Management Principles Handbook and local policies relating to health and safety.



Amy Greer

**Human Resources Manager,
MCR Inc, United States of America**

“We were experiencing the highest workplace accident rate for all of Cornelius Americas. We noticed that many of these incidents involved issues related to muscle injuries. To address this issue we contacted a local physical therapist in our area and he provided training for our employees on seven exercises to be conducted at the start of the shift to stretch and prepare for the day.

“Employees alternate leading the morning exercise program within their department. As a result our incident rate has significantly decreased.”

The program is called our ‘Morning Exercise Program’, a 10-minute pre-work preventative exercise program. All employees participate and the program has been in place for approximately four years. Employees alternate leading the morning exercise program within their department. As a result our incident rate has significantly decreased. In 2008 and 2009 we experienced no recordable injuries or Lost Time Accidents and our incident rate has still remained low to date.

With such a relatively simple action we saw a direct impact on both health and safety and the energy levels of the employees. Now our Glendale Heights facility in Chicago has adopted a similar program and one of our most important customers has recognized the program as both innovative and important.

This demonstrates how our commitment to health and safety and the IMI Way, positively impacts both the lives of our employees and our relationships with customers.”



Workplace conduct





Workplace conduct

We treat each other with professionalism and respect at all times.

What do we mean?

We do not discriminate on the grounds of race, nationality, colour, political or religious conviction, social background, disability, sexual orientation, gender or age and we ensure that the requirements of our local laws are met with respect to our working environments. We select people for opportunities in the business on merit.

We ensure that we adequately communicate with each other. We are open and honest and use appropriate language when speaking with each other and remember that respect is essential even in times of difficulty, disagreement, or confrontation. In living up to this standard we always consider those who hear our words, their perspective of what we say, and the position we hold in relation to them. We always respect the contribution that each of us makes to the success of the business.

We take responsibility for our own training and development needs. We accept that we must raise any requirements we have to enable us to do our jobs effectively.

We take responsibility for our own physical and mental wellbeing and we support each other in times of pressure.

We speak up with new ideas or regarding issues we may have, because we know that we operate in an environment of mutual trust and we will be respected by our colleagues. Where we have an issue that needs resolving, formally, we use the appropriate grievance channels. We do not bully, harass or otherwise intimidate each other. Further we support our rights to freedom of association and collective bargaining.

Where to go for more

Local Human Resources policies.



Elsa Cano

**Human Resources Manager,
IMI Cornelius, Mexico**

“We operate in a very challenging environment in Mexico where having regular paid work is something that many people do not have, or cannot maintain. It is a constant struggle for us to find good employees and therefore we decided to use the IMI Way to invest in our people and to emphasise the benefits of working for our company.

“We decided to use the IMI Way to invest in our people and to emphasise the benefits of working for our company.”

We used the IMI Way to help some of our employees attain their basic adult education and receive their high school diplomas. For other employees, who have exposure to colleagues from the United States, we provided English language lessons. We also recognised the academic achievements of the children of our employees, investing in their future too.

This has had a very positive effect on all of us at IMI Cornelius in Mexico as we are closer as a community and many employees realise that as a company we care about them as people not just as workers. This has led to a reduction in employee turnover and a happier and more motivated workforce. We were proud to have our achievements in this area recognised by the Chief Executive in his awards for commitment to the IMI Way.”



Anti-bribery, anti-corruption and anti-fraud

Reflect
on
lots





Anti-bribery, anti-corruption and anti-fraud

We work in an open and honest environment where bribery, corruption and fraud are not acceptable. We rely on the merits of our technology, the excellence of our products and people, and our customer service to sell our products.

What do we mean?


Bribery and corruption

Simply put, bribery or corruption is when anything of value, be it in the form of cash, favours or even entertainment, is provided, or offered, to improperly obtain, or retain, business or some other improper advantage. We never engage in this behaviour with anyone whether in the public or private sector, and we do not allow anyone to do so on our behalf. We do not make facilitation, or 'grease', payments.

We limit how much and how often we give or receive gifts, meals and hospitality. We never provide, or receive, anything lavish or inappropriate. We always consider whether gifts, meals or hospitality are appropriate with regard to the identity of the recipient, or provider, and the circumstances in which it is being provided or received. Gifts, meals or hospitality we provide never compromise, or appear to compromise, the ability of anyone, including ourselves, to make objective and fair business decisions. We are committed to honest trading and responsible bidding and tendering.

We expect our partners, such as sales agents and other third parties helping us to win or do business (including those representing us before governmental bodies), to live up to the same anti-corruption standards as us, and we vet and monitor such third parties to ensure that this is the case.

Political contributions and activities

We do not make political donations and we only make charitable donations where we are certain of the charitable purpose of such donations. To the extent that we are involved in any form of lobbying, we do that lobbying in a responsible way. 



Anti-bribery, anti-corruption and anti-fraud

What do we mean?

Fraud

Fraud is when someone makes an unfair gain by deceiving others, or deliberately causes a loss, or conceals the true nature of a financial transaction or results, and we never engage in such behaviour. We do not use our position for personal financial gain or to allow others to make money outside of a normal business relationship. We are honest in the statements that we make and how we account for transactions. We deliver clear messages. We are not afraid to deliver bad news and be challenged to explain the circumstances that have led to unexpected results.

We ensure that appropriate processes are in place to reduce opportunities for fraud, and we do not override nor bypass controls when we are short of time or under pressure.

By maintaining this standard we reinforce IMI's reputation of integrity, and give our customers comfort that they are dealing with an ethical and responsible business, which will in turn protect their reputation.

Where to go for more

The Pocket Anti-Fraud Manual and IMI Anti-Bribery and Corruption Manual.



José Muñoz

**Logistics Manager,
Control Components Inc,
United States of America**

"I was asked to export various pieces of CCI manufacturing equipment out of Mexico to a new location. Since this equipment was to be put to immediate use, it was imperative that the export process not be delayed. I followed all of the appropriate Mexican export procedures but the equipment was seized by Mexican customs officials.


I immediately went to the offices of the officials to better understand the reasons for the seizure. The officials told me that several pieces of equipment were 'in violation of Mexican customs rules'. I asked the officials the nature of the violation and they provided very vague responses that the equipment was simply 'in violation' and that I needed to pay a 'cash penalty' in order to liberate the equipment from seizure. Since

the officials were evasive and wanted a cash payment, I soon realised that this was very likely a bribe request.

"I am proud that my company supported me... It shows real integrity and that the IMI Way is supported at every level."

I believe in our value of integrity and our standard of Anti-Corruption and so I ended the meeting and told the officers that I would have to consult with my superiors. After disclosing the issue to my Compliance department, I

helped to develop a strategy that would ensure compliance with the law, avoid confrontation and hopefully avoid losing the equipment for good. In essence, I told the officials that I wanted to fully comply with Mexican export rules.

However, in order for me to do so, I would need to have an official receipt from the officers detailing the nature of the offence and the specifics of the penalty. 



José Muñoz

**Logistics Manager,
Control Components Inc,
United States of America**

🔄 With that documentation, I could then proceed to obtain the approval for payment from my superiors. Upon hearing that CCI would not simply pay a 'cash penalty' and would need supporting documentation, the officials quickly retracted their request and stated that it must have been a misunderstanding.

The officials told me that they had reviewed this case in more detail and determined that all of the documentation was indeed in place, and the goods were released from seizure.

I am proud that my company supported me in taking these bold steps, even when we were under severe time pressure to get this equipment to their new location. It shows real integrity and that the IMI Way is supported at every level of our organization."



Conflict of interest





Conflict of interest

We have a duty to separate job responsibilities and personal interests and to disclose actual and potential conflicts of interest.

What do we mean?

A conflict of interest does not necessarily arise because of any unlawful or unethical activity. It may be characterized as any situation:

- that prevents, may prevent, or may give a perception that it prevents, our ability to make an unbiased decision in the performance of our duties for the company;
- where personal interests are promoted or pursued, or may be perceived as being promoted or pursued, over those of the company; or
- where connections with the company, the company's resources and/or the company's name, and/or reputation are used, or potentially used, for personal gain or for a purpose that is not in the interests of the company and/or that may damage the reputation of the company.

We will always try to avoid actual and potential conflicts of interest. If it is not possible to avoid a conflict of interest, we will declare that conflict to our management so it can be reviewed in context and appropriate action taken.

A conflict of interest may come in many forms. It could be holding an ownership interest in a supplier, customer or competitor company, or hiring, managing, or promoting a close friend or family member, or receiving gifts, hospitality or personal discounts from a supplier, customer, or competitor. The key issue to determine whether it presents an actual or potential conflict is what the perception may be of the impact the conflict of interest may have, for example producing a bias, or a perception of bias, in decision making.

Where to go for more

The 'Conflict of Interest' section within the IMI Anti-Bribery and Anti-Corruption Manual.



Frank Laudato

**General Manager, Norgren Inc,
United States of America**

“We had received a quote from a vendor to do some maintenance work at our plant. I also required some maintenance work at my home and asked the vendor if he could do a quote for me on that work separately. I certainly intended that the two matters be kept very separate; it was just convenient for me to ask this vendor about my personal requirement. I realize now that even asking for such a quote was wrong as it opened the door for a conflict of interest, that could not be resolved, to arise.

Whilst quoting for my personal job the vendor offered to reduce the price for this job, and increase the price accordingly for the job he was to do at my workplace. I was shocked by his offer and declined immediately. I cancelled the work he was doing for me and for the company. He showed me in an instant that he was not the type of person I would want to do business with personally, or professionally.

**“That is the essence
of the IMI Way... it is
all about doing the
right thing even when
no-one is looking.”**

I could have taken the offer from the vendor as I knew that the chances of this matter being discovered were quite small, and clearly I stood to gain personally from these circumstances, but I knew it was a clear conflict of interest and I did not want that on my conscience. That is the essence of the IMI Way; if there is a little voice inside your head telling you what you are doing is wrong, then you should not do it. It is all about doing the right thing when no-one is looking.”



Steve Lambert

**Health, Safety and Compliance
Co-ordinator, IMI Cornelius,
United Kingdom**

"I was recently contacted by a cleaning company who thanked me for completing a survey for them. I was offered an expensive case of wine as thank you for completing it.

The company indicated that they would send the wine to my home address if I could produce an order for a sample of their products at a discounted 'special offer' price. I indicated that this would be a breach of the IMI Way and rejected the request. I also confirmed that I had not, in fact, completed any such survey.

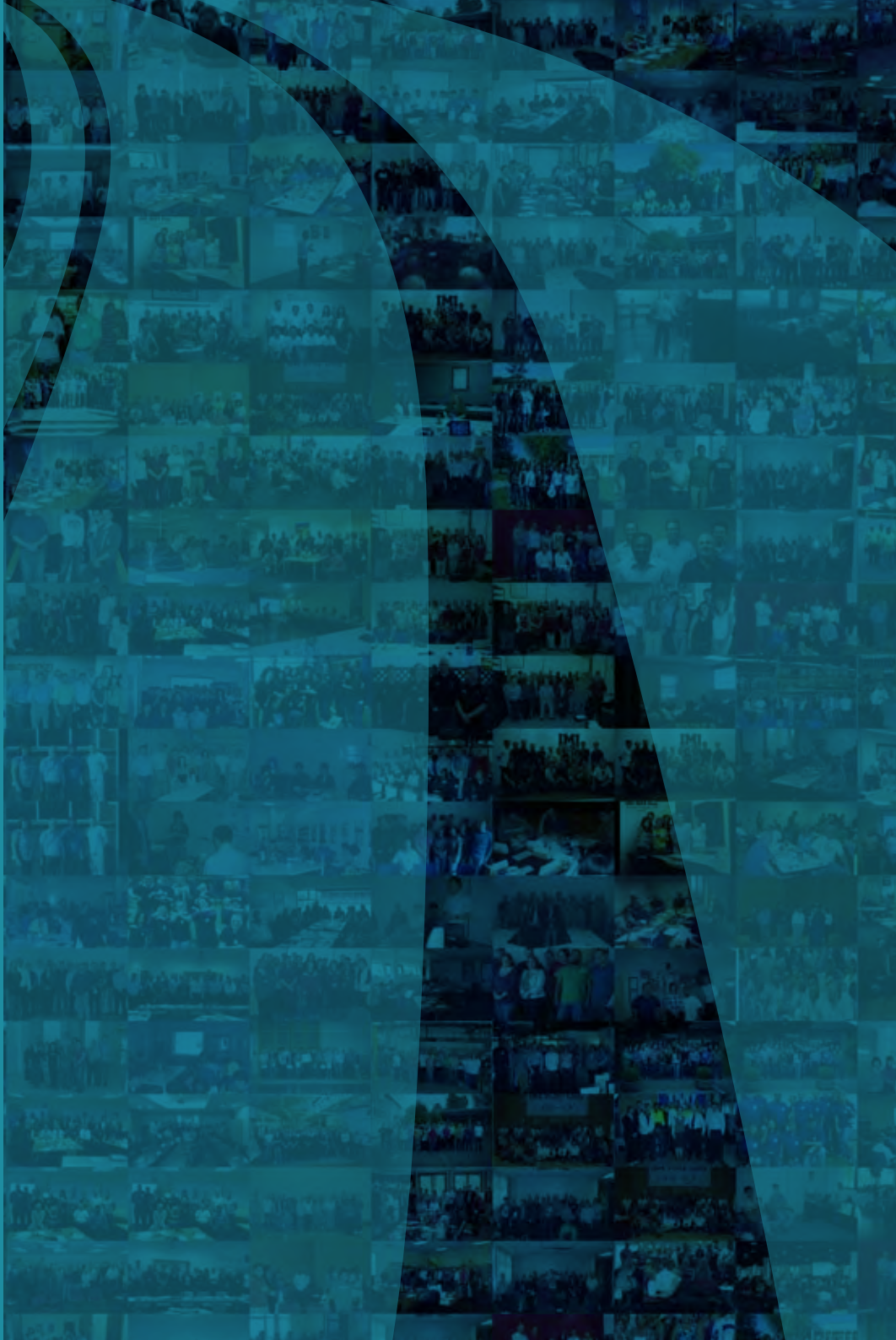
"I indicated that this would be a breach of the IMI Way and rejected the request."

At this point the company offered me a free day watching horse racing and a free meal in a nice restaurant. I again rejected the offer and indicated that we would not be ordering any products from this company. After ending the call I informed my colleagues about this incident so that they would be prepared in case they received a similar call.

This is not the first time I have received this type of offer. In the past I have been offered meals and tickets to football matches following similar unannounced telephone calls. I have always rejected the offers."



Fair markets





Fair markets

We are committed to fair competition in the markets in which we operate.

What do we mean?


Fair competition drives innovation and creativity, and we relish the opportunity to compete on a level playing field. Fair competition means acting honestly and responsibly, whilst striving to be the best we can.

We recognise that competition law is a major risk area for all businesses, including our company, and that a breach of competition law may have serious consequences for both IMI and us as individuals. Competition laws prohibit practices and agreements between businesses which could fix prices or otherwise prevent, restrict or distort competition, and we abide by those laws, always.

We appreciate that agreements or information exchanges between competitors can be problematic, and so only have contact with competitors where there is a legitimate business reason and approval has been given in writing by a senior manager. We only participate in approved meetings of formal trade associations. We follow internal guidelines relating to the recruitment of employees from competitors.

We are committed to gathering market intelligence in a legal and proper manner, using legitimate sources and respecting confidentiality. We never seek to gain a competitive advantage by criticising, or making derogatory statements about, our competitors.

We recognise that where a business is dominant (with the ability to act independently of its customers, competitors and consumers) it must be extremely careful in order to ensure that it does not abuse that dominance.

We appreciate that we need to take care over language used in communications and documents describing markets and our competitive position; and know not to use language that could be misinterpreted as evidence of unlawful conduct. 



Fair markets

What do we mean?

We are committed to marketing with integrity, and we establish trust with prospective and current customers in our marketing and other communications by ensuring that our claims are truthful and can be substantiated. Additionally we follow the laws, regulations and appropriate professional and industry standards regarding advertising, promotional and other marketing practices.

Where to go for more

IMI Competition Law Compliance Manual, related guidance notes on specific risks and the IMI Competition Law Controls, together with local marketing policies.



Wendy Hambleton

European Human Resources Director, Norgren, Europe

“The President of my business and I were interviewing candidates for a sales position within Norgren. We had established a good rapport with one particular candidate, and we had started to talk about what his strategy would be to grow the Norgren business. He provided some compelling answers and we were feeling very positive about him. Then he offered to show us the strategic plan and pricing of his current company, a competitor of our business.

“We were able to explain that seeing confidential competitor information was against our IMI Way.”

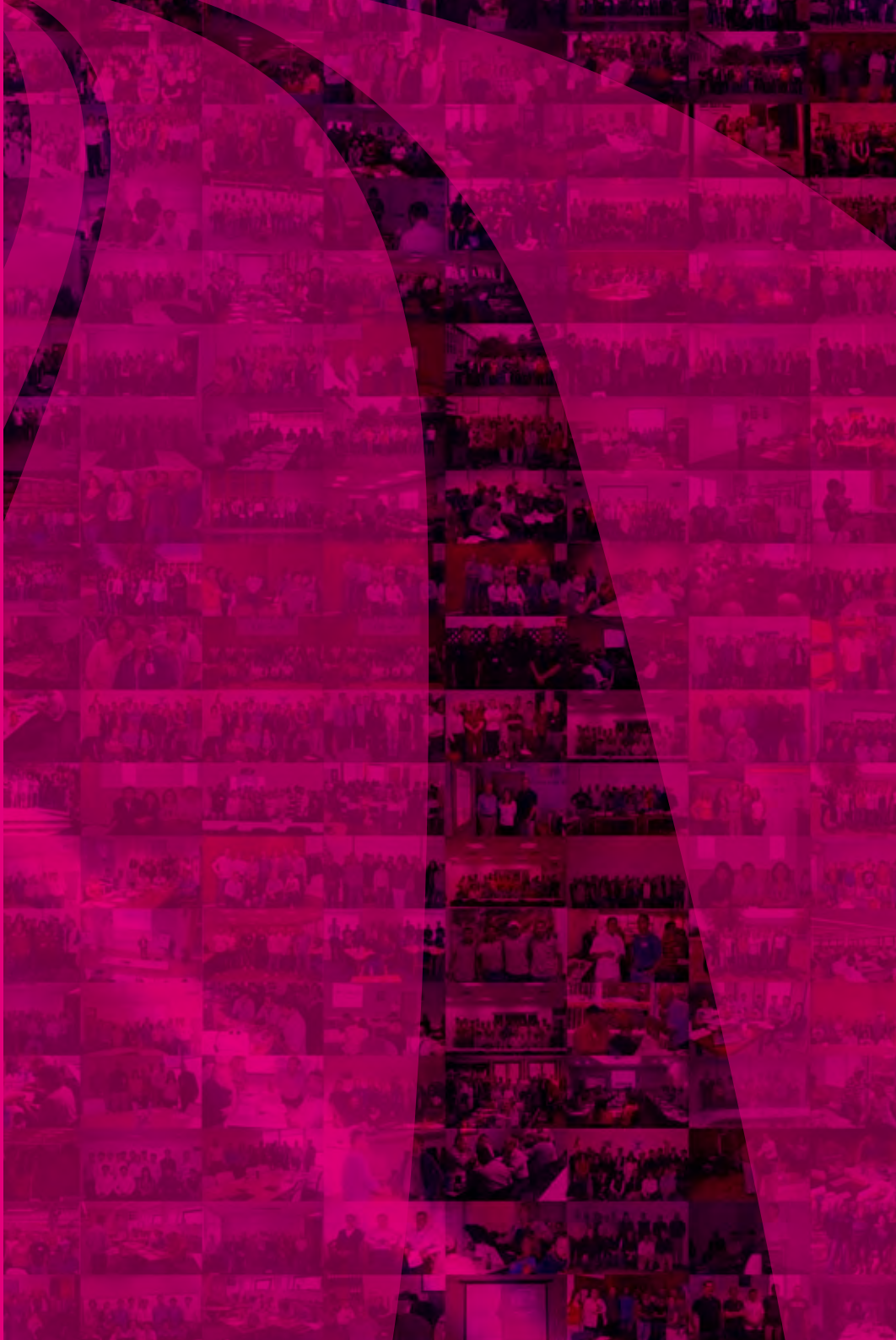
We have received regular training on ethical matters via our IMI Way programme and together the President and I both immediately declined the offer to see the information.

We were able to explain that seeing confidential competitor information was against our IMI Way and we would not put ourselves or the candidate at risk of being in breach of the law, or good ethical conduct, by viewing such material. We did not hire the candidate as he did not share our view on ethical conduct.

I had always thought that competition law and fair dealing was something that only affected the sales guys because it was all to do with preventing manipulation of markets etc. This incident reminded me that we can all be vulnerable to these risks and we should all be vigilant and uphold our standards in all situations.”



Accounting





Accounting

We maintain the books of account and ensure that the financial and management accounts are prepared in an accurate and timely manner and that the appropriate internal systems of control are in place and operating effectively.

What do we mean?

Maintaining the books

We make and keep books, records and accounts, which accurately and fairly reflect the transactions and disposition of the assets of our businesses. We ensure that all business transactions are recorded accurately in our accounting systems and in accordance with Generally Accepted Accounting Principles (GAAP) and in adherence with our accounting manual.

Preparing the financial and management accounts

We prepare regular and timely accounts to satisfy our legal and regulatory requirements and provide high quality information to the business teams we support, providing insight on performance to enable fast and effective decision making.

Appropriate systems of internal control are operating effectively

We ensure that we have appropriate systems of control in place and that they are operating effectively to deliver accurate financial reporting and to protect the company's assets. In addition, we ensure that we have appropriate controls surrounding the approval of expenditure consistent with the delegated limits of authority. We never claim expenses which were not properly incurred in the course of our work and we never approve expenses which we incurred ourselves even if someone else paid.

Where to go for more

The IMI Accounting Manual, the IMI Treasury Manual, the IMI Taxation Manual, the Operational Limits of Authority, local delegations of authority and the Entertaining Guidelines section of the IMI Anti-Bribery and Corruption Manual.



Catherine Xu

**Finance Director,
CCI, China**

“At CCI China we have put special emphasis on the controls over individual expenditure. We have borrowed from the methodology that is used in our health and safety compliance: we concentrate on small accidents and near misses to help to prevent a larger incident. So we start by encouraging everyone to record all of their expenditure accurately, and to comply with the limits on expenditure that we set for all of us no matter what level you are at in the organisation.

The training we have given to our employees in this regard is our first control. Secondly, we ask a senior manager to sign off against all expenditure to confirm that it has been legitimately incurred on company business and that it complies with the limits for such expenditure. We then have all expenses checked by our clerk, Linda Zhao. She ensures that all expense claims are accompanied by appropriate receipts and again that they comply with the limits imposed on expenditure. Linda does not simply accept the signature of a manager as proof that the expenditure is appropriate; she checks the checkers.”

Finally, the expenses are subject to both our electronic expense system which flags expenditure outside of policy and spot audits by our Compliance team. Linda’s work has proved to be very successful as we do not experience any level of non-compliance via the electronic system or the spot checks. We believe that putting this level of control over a simple area like expenses, brings about a better culture of control generally and helps us to avoid larger issues.”



Engineering advantage





Engineering advantage

We convert lawfully obtained industry knowledge and market insight into solutions, which create competitive advantage for our business and customers.

What do we mean?

We aim to provide our customers with high quality, innovative products which are tailored to their needs that help maximise the efficiency of their operations. We are committed to the highest professional standards in everything we do, and we ensure that we maximise our skills for the roles we perform.

We take pride in our work, performing all tasks to the best of our ability and in accordance with our quality control procedures. We make sure that nothing we do compromises the quality, or safety, of our products and recognise the responsibility we share to achieve excellence in everything we do.

We will always speak up with our ideas to improve the design, quality, safety or efficiency of our manufacturing, products or services, recognising that the smallest idea can add significant value to our customers and to our own operations.

We make high quality products which create value for our customers. We are committed to honest and responsible dealing in all our customer interactions, be that advertising, bidding, selling, ensuring customer satisfaction or dealing with customer concerns.

Where to go for more

Local sales, marketing, design and quality procedures.



Matthew Tongue

**Operations Manager,
Stainless Steel Fasteners,
United Kingdom**


“The IMI Way is something which can really give you that competitive edge, and a commitment to quality cannot only win trust with your customers, but stand you head and shoulders above the competition. We have direct experience of this.

We accepted an order from our customer to manufacture some fasteners in a material which needed to conform to a special hardness once it had been machined.

This specification was required by our customer’s customer, who stipulated that three independent tests be conducted to verify that the end product met the specification requirements.

The raw material we purchased conformed exactly to the specification, however when we tested the machined parts they were all out of specification: the hardness was too high.

We did not understand what had caused the issue, and so we undertook further tests, at our own expense, so that we could be certain that the parts met the required specification.

The additional tests made us overdue, but we did what we would always do in this situation, and we contacted our customer to explain the problem, because we believe in acting with integrity at all times. 

We explained that we are committed to proper independent testing of our products to ensure that specifications are met, and that we never cut corners on this important quality control process. Therefore they could be certain that our products would always meet their standards and they could have confidence in us as suppliers.

The problem with this particular material was proven to be something that would affect all suppliers machining such material, and yet no other supplier had ever raised the problem.

“We are now their preferred supplier.”

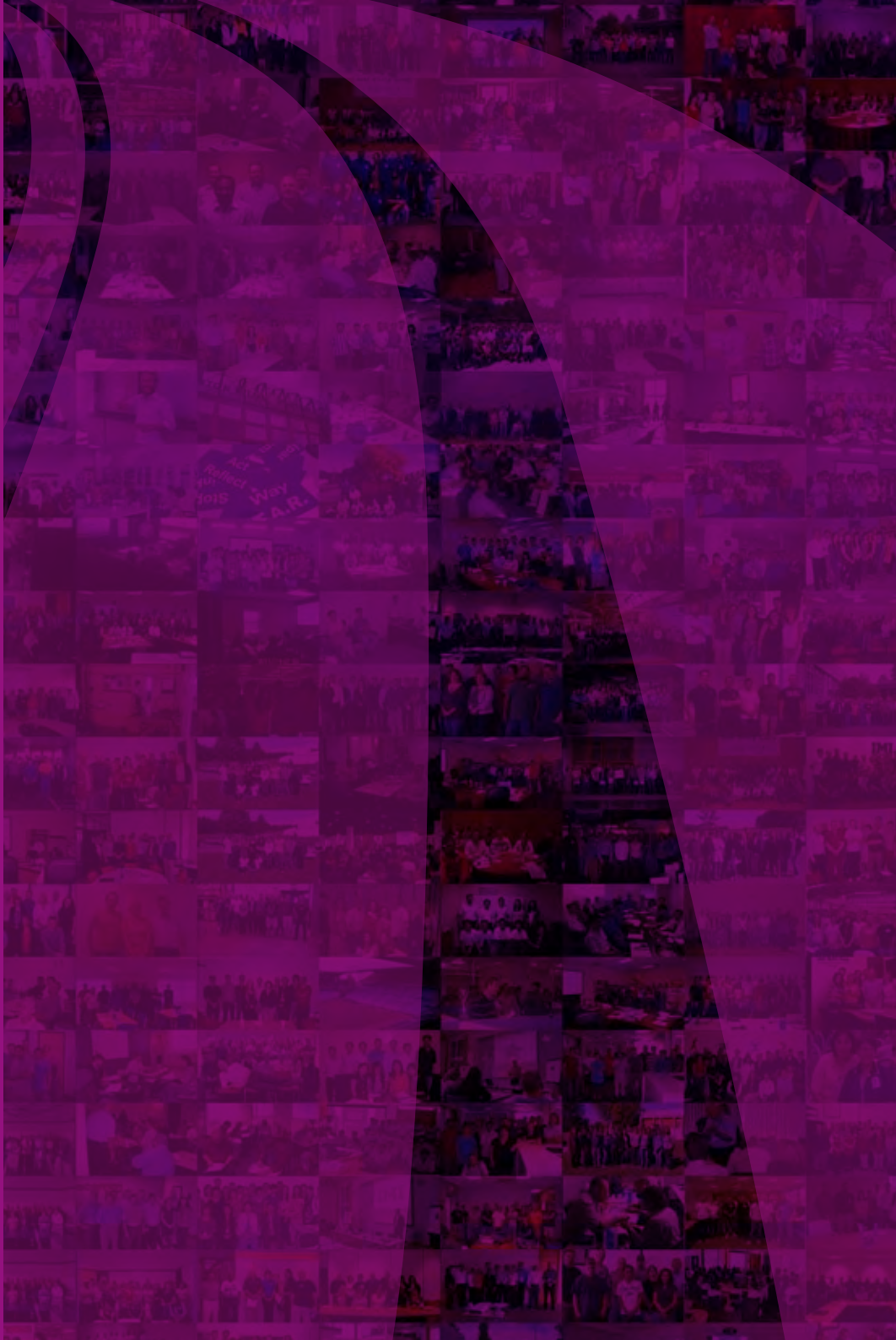
The customer’s quality manager came to see our procedures at work. We positively encouraged him to talk with people in the manufacturing area and to examine our quality procedures by looking at inspected parts and checking their adherence to specifications, because we are confident that all of our employees know the importance of excellence and integrity in the area of quality assurance.

Afterwards the quality manager commented that he visited on average 30 companies a year worldwide, most of them much larger than Stainless Steel Fasteners, and he said it was rare to see a company demonstrating their values with such enthusiasm.

We are now their preferred supplier.”



Trade controls





Trade controls

We ensure that our goods, technology and services are supplied in a way that is consistent with relevant import and export control and licensing laws.

What do we mean?

We work across national borders and we recognise that each country has its own controls regarding exports, imports, embargoes and boycotts that may restrict our ability to sell or deliver our products into some locations. We are respectful of each country's regulations and we work to address any conflicts that may arise in this critical area. By being aware of these issues we ensure that our products, services or raw materials move appropriately, legally and as quickly as possible, which strengthens our operations and, in turn, our customers' operations. Specifically:

Imports

Before importing any goods we ensure compliance with customs laws regarding valuation, classification, origin, duties, taxes, fees, licences, certification and record-keeping requirements.

Exports

Before exporting or committing to export any goods or tangible or intangible technical information, we ensure that such items are properly classified and that we obtain all required export licences, permits or other authorisations. We also ensure compliance with export laws in relevant countries which might affect our ability to transfer goods or technology to nationals from another country.

Embargoes/Boycotts

We are mindful of embargoes and boycotts and, where appropriate, we comply with such restrictions. We carry out screening on our customers to ensure that we are aware of who we are selling to and, where appropriate, the final destination of our product.

Where to go for more

IMI Trade Controls policy, denied parties screening procedure and local import and export policies.



Scott Pfeifer

**Director, Global Import & Export Compliance,
IMI Severe Service, Worldwide**

“We strive to comply fully with all economic sanctions imposed by the various countries in which we operate. We remain vigilant as we recognize that some less scrupulous parties may attempt to circumvent these laws.

As an example, I received a phone call from a party claiming to be a procurement agent trying to obtain CCI parts for their customer. After some pressing, the caller admitted that she was calling from Iran and was well aware of the illegality of her request.

I informed the caller that as the Director of Global Import & Export Compliance for IMI Severe Service, I would not allow transactions with prohibited countries. The caller responded emphatically, “Oh yes, we know who you are and that is why we would like you to meet our contact in Los Angeles, so that you can make money, and we can make money. I’m sure we can work something out; you could just send the parts to India and we will pick them up.”

“Doing the right thing helped prevent damage to the company’s reputation.”

Of course, I rejected the offer, reported it to all relevant business leaders and sent out a communication to all employees to reject any inquiries from this particular party. Doing the right thing in this case helped prevent damage to the company’s reputation, significant monetary penalties and potential revocation of export privileges or criminal prosecution of individuals.”



Paul Cleaver

**President, Norgren,
Worldwide**

“We screen all of our customers against denied parties lists maintained by governments across the world. It is essential for us to know who we are dealing with and that we are permitted to do so.

**“It is essential for us
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In performing this routine screening, we discovered that a proposed customer in London was in fact a front company for an Iranian company which was present on the United States government Office of Foreign Asset Control’s list of Specially Designated Nationals (SDNs).

This customer has been blocked thus avoiding possible breaches of international sanctions legislation and the wider corporate implications of dealing with SDNs, which can affect our finance arrangements.”



Responsible business





Responsible business

We believe that we have a duty to conduct our business in a responsible way to respond to the needs of our environment and those around us.

What do we mean?

Customer engagement

We place significant emphasis on helping our customers to meet their own responsible business commitments, from diversity targets to carbon emissions. We listen to our customers through insight councils where responsible business issues are discussed. We assist our customers in achieving their goals by developing products that increase energy efficiency and reduce carbon emissions. We do this by using environmentally-friendly materials whilst also delivering significant reductions in packaging, transportation requirements and warehousing space for our customers.

Supplier risk management

We demonstrate our commitment to human rights across the whole supply chain, by conducting audits to make sure that child or forced labour is not used; workplaces are safe and healthy; products manufactured and services provided are safe; local environmental protection rules and regulations are upheld; and fair wages, lawful working hours and freedom of association or collective bargaining are provided to all employees. We exit from relationships with suppliers who are not able to meet our strict responsible business requirements. In return suppliers can expect that we will engage in fair purchasing practices, based on factual, objective information.

Energy management

We are committed to reducing CO₂ emissions and becoming more energy efficient in both our products and processes. We continuously maximise energy efficiency by optimising our operational processes, equipment and other resources. We establish local energy saving targets and energy initiatives in all our major facilities to support our commitment to reducing energy consumption. We continually raise the bar in our carbon management initiatives with the aim of making reductions where possible.





Responsible business

What do we mean?

Environment

We benefit greatly from the communities in which we operate, and we strive to be respectful of them. To do this we foster sound environmental management principles and ensure that we comply with relevant local environmental laws and regulations.

Where to go for more

IMI Responsible Business Management Principles Handbook.



Sean Toomes

**President, TA Hydronics,
Switzerland**

“At TA Hydronics we believe in excellence in everything that we do. We have the market leading hydronic knowledge and are committed to sharing that knowledge with our customers as part of our commitment to true customer engagement. We do this via our Hydronic College which is a series of seminars on pressurisation and water quality, balancing and control, and thermostatic control provided to our customers all over the world. The seminars provide both theoretical and hands-on knowledge and cover:

- All the latest market trends, technologies and legal regulations.
- Facts and insights relevant for different applications.
- Special focus on total system design and performance.

The Hydronic College is a true investment in our customers designed solely to further their knowledge; we do not push our own products, we communicate hydronic knowledge purely for its value to the attendees in tackling universal hydronic issues. Between 2009 and 2011 over 160,000 people attended one of our Hydronic College seminars.

“Between 2009 and 2011 over 160,000 people attended one of our Hydronic College seminars.”

We also make sure that all of our sales people attend the college too, and they are tested on what they have learnt to ensure that they provide the very best expertise to our customers, always. That is what true excellence and customer engagement means to us.”



**Use of company resources
and information**





Use of company resources and information


We have an individual responsibility to safeguard company resources and information and use them efficiently and appropriately, protecting confidentiality and complying with appropriate inside information regulations at all times.

What do we mean?

Company information and resources include physical property, confidential information, financial information, intellectual property, data, know-how, trading performance, customer information, funds, equipment, supplies, raw materials, IT systems, hardware and software, company time and anything else of value belonging to the company.

We treat company resources and information with the same care that we would take with regard to our own personal resources and information.

We take responsibility, as a business and individually, for the confidentiality of information in whatever form and ensure compliance with data protection and other relevant laws and regulations by applying appropriate security measures. In applying security measures we consider carefully the level of confidentiality of the information and who should have access to it. We only access information where we have been authorised to do so, and we report any unauthorised access to ensure appropriate action is taken. We retain information for an appropriate period consistent with our business requirements and relevant laws and regulations.

We do not use company resources or information in the furtherance of illegal activity. We do not access or exchange information that may be considered offensive, discriminatory or otherwise inappropriate, including material that may be sexist, racist or pornographic. 



Use of company resources and information

What do we mean?

Further as IMI plc's shares are publicly traded on the London Stock Exchange, we ensure that we keep the stock market updated with accurate and timely information and disclose inside information without delay. By 'inside information' we mean any information that could have an impact on IMI plc's share price; such as trading results, important corporate transactions, major changes in current trading or prospects, board changes and significant regulatory issues.

From time to time we may be told in advance of major developments and trading results. Until announced by IMI plc, we keep such matters strictly confidential and never use them to deal in IMI plc shares directly, or indirectly.

We know not to comment on any aspects of the company's performance, or its affairs, to the media, investors or third parties unless we are authorised to do so and are clear about the limits of what we can say. We recognise that our comments should not reveal more information than that contained in public announcements, websites and any other publically available materials. If we are unsure, we refer the person seeking information to a senior manager.

We recognise that the consequences of leaks and misuse of inside information are extremely serious, not only for IMI plc and its directors, but also for all of us.

Where to go for more

Local policies regarding the use of confidential information, any non-disclosure agreements entered into by the company, IMI plc's policies relating to the use of Information Technology and the control of information, IMI plc's Guidance Note on Protection of Significant Inside Information and IMI plc's Guidance Note on Dealing in IMI plc Securities.



Terry Prideaux & Paula Chilton

**Operations Manager and
Human Resources Director,
IMI Webber, United Kingdom**

“At IMI Webber in Bristol we have put in place a bonus system for shop floor employees which is based upon four key measures; productivity, scrap, returns (parts per million) and hazards raised and closed. Three of these measures encourage employees to make good use of company resources:

- Our productivity target encourages employees to make good use of their time at work by incentivising them to be productive and not waste time on non-work matters.
- Our scrap target encourages employees to make good use of raw materials so that nothing is wasted unnecessarily. A target is set and if the site produces too much scrap in a particular month then that element of the bonus is not achieved for that month.
- Our returns (parts per million) target also encourages employees to make the best use of company resources by producing the best quality products so that customer returns are limited. If we have a return, amongst other things, it could mean that raw materials have been wasted on producing a substandard product.

“At the end of the year employees receive an accumulated bonus, encouraging them to use their time and company resources wisely.”

Each measure is accompanied by a target. If the target is met in a particular month then an amount of cash is banked for each shop floor employee’s bonus for that year. At the end of the year the employees receive their accumulated bonus for the year. This has been well received and has encouraged employees to use their time and company resources wisely.”



Useful information



Speaking up

Our values and standards are important to us, and we all have a responsibility to speak up where we see a colleague not living up to them. In most instances this will require us to have the courage to appropriately, and politely, challenge our colleagues in respect of their behaviour.

Sometimes we might feel that their conduct is something best dealt with by a manager, or by our Human Resources team. In those circumstances we will raise those issues directly with the relevant manager or Human Resources contact. If we feel that neither of these options is possible, then we will use the IMI hotline to report our concerns. This is an anonymous service provided by a third party, and can be accessed via the internet at **www.imihotline.com**, or via the telephone on the numbers given overleaf.

All of us can be confident that issues raised via the hotline will be reviewed by appropriate people, and, where appropriate, an investigation will be performed and, in most instances, we will receive some feedback within 30 days.

We know that if we use the hotline to report issues fairly, and without malice or the desire for personal advantage, then we can expect protection from retaliation.

We acknowledge that making false reports or pursuing personal vendettas through the hotline is strictly against our value of integrity and we could be subject to formal disciplinary action if we use the hotline in this way.



Hotline numbers

Country	Number
Australia	1-800-339276
Austria	0800-291870
Belgium	0800-77004
Brazil	0800-8911667
Canada	1-888-271-4619
China (Northern)	10-800-712-1239
China (Southern)	10-800-120-1239
Czech Republic	800-142-550
Denmark	80-882809
Finland	0800-1-14945
France	0800-902500
Germany	0800-1016582
India	000-800-100-1071
Italy	800-786907
Japan	0044-22-11-2505 00531-121520
Korea	00308-110-480 00798-1-1-009-8084 00798-14-800-6599

Country	Number
Malaysia	1-800-80-8641
Mexico	001-8008407907
Netherlands	0800-0226174
New Zealand	0800-447737
Norway	800-15654
Poland	0-0-800-1211571
Russia	8-10-8002-6053011
South Africa	080-09-92604
Spain	900-991498
Sweden	020-79-8729
Switzerland	0800-562907
Taiwan	00-801-13-7956
Thailand	001-800-12-0665204
Turkey	0811-288-0001
United Kingdom	0800-032-8483
United States of America, Guam, Puerto Rico	1-888-271-4619

For employees in other countries, access the www.imihotline.com website and select your country to find the number to call. Should you have any difficulty with the telephone numbers above, please access the above website to obtain the most current telephone number, or call IMI HQ to request a contact number (anonymously if you wish).



What the IMI Way means to me



Notes



Investing in Integrity

In 2012 we became the first company in the world to be awarded the **Investing in Integrity** (Iil) charter mark.

Iil is an accreditation system jointly developed by the Institute of Business Ethics (IBE) and the Chartered Institute for Securities & Investment (CISI). It has been implemented to provide assurances to a company's stakeholders that the company has the policies and procedures in place to ensure it acts with integrity at all times. In addition, a company must demonstrate that these practices are of the highest standard and are embedded throughout the organisation.

The award of the five year accreditation for IMI involved a comprehensive global assessment of IMI's ethical policies, procedures and practices, as well as the completion of an independent assessment, carried out by Iil's partner, GoodCorporation. This assessment included a written survey of a random sample of employees across our key territories, and a series of interviews with senior management across all divisions.

The award of this charter mark demonstrates the successful implementation of the IMI Way throughout the organisation, and IMI's commitment to targetting the very highest standards of ethical business.





www.imiplc.com

