

Bodycote's Core Values are Honesty and Transparency, Respect and Responsibility and Creating Value and are summarised as follows:

- **Honesty and Transparency**

We are honest and act with integrity. Trust stems from honesty and trust is at the heart of everything we engage in: our customers trust us to deliver what we say we will, our colleagues trust us to act in their best interests and our suppliers trust us to conduct business according to agreed terms. This is not something we take for granted. Bodycote lives by a culture of honest and transparent behaviour, which is at the core of all our business relationships.

- **Respect and Responsibility**

We manage our business with respect, applying an ethical approach to our dealings with those we interact with. We respect our colleagues, who are all of the employees of Bodycote. Part of our respect for our colleagues is our commitment to safe and responsible behaviour and our fundamental belief that no-one should come to any harm at work. We show respect for our customers, our suppliers and our competitors. We respect the communities around us and behave as a responsible corporate citizen by being compliant with the laws and regulations of the countries in which we do business and by ensuring that our effect on the environment is minimal. We believe in taking ownership, and being mindful of the impact of our actions.

- **Creating Value**

Creating value is the very essence of our business and needs to be the focus of our endeavours. We create value for our customers, our employees and our shareholders. The realities are harsh. If we do not create value for our customers then we have no reason for existence. If we do not create value for our employees there will be no-one to create value for our customers. Our shareholders rightfully require that we ultimately create value for them as they are the owners of the business.

This Code of Conduct provides guidance as to how the Bodycote Core Values should be embodied in how the Bodycote Group conducts its business and, together with the Core Values, sets the principles for the operation of the Bodycote Group policies, procedures and standards.

## **1. Responsibilities and accountability**

### **1.1. Compliance with the Code of Conduct (“Code”)**

This Code applies to every person within the Bodycote Group and every part of the Bodycote Group. We are all expected to take personal responsibility for ensuring that our behaviour is consistent with this Code. We must all read and understand the principles set out in this Code together with the Bodycote Core Values of Honesty and Transparency, Respect and Responsibility and Creating Value, the

Bodycote Group policies and other policies, procedures and standards that apply to our roles (including applicable Employee Handbooks) and ensure that we comply with them at all times. As with other Bodycote Group policies, failure to comply with this Code may result in disciplinary action.

## **1.2. Human Rights**

In everything it does Bodycote will respect and act in accordance with the principles of the Universal Declaration of Human Rights and the UN Global Compact's ten principles. In particular, we will not discriminate; we will not abuse or harass employees; we will meet or exceed applicable minimum pay, benefit and working time requirements; we will not use forced or underage labour; and we will exercise and promote good health and safety practices.

## **1.3. Modern Slavery**

Bodycote has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in all its business dealings and relationships and to implementing and enforcing effective systems and controls to make all reasonable efforts modern slavery is not taking place anywhere in its own business or in any of its supply chains.

## **1.4. Different laws in different jurisdictions**

Bodycote is a multinational group. It is not possible for this Code or the other parts of the Group Policies to be exhaustive and set out every legal or company requirement, therefore whenever unclear on a matter we should seek advice and exercise common sense and judgement in line with this Code's general principles and the Core Values.

## **1.5. Applying this Code and the Open Door Policy**

In every matter we come across that this Code touches upon we should ask ourselves these questions:

- Is it consistent with the principles of the Core Values and this Code?
- Am I setting a good example?
- Would I be happy explaining what I did to my co-workers, family and friends without embarrassment?
- Would I or Bodycote be comfortable if the action was written about in a newspaper?
- Have I consulted others who have knowledge of the matter and sought advice to help me make an informed decision?

There are a number of ways we can seek advice and support:

- A co-worker

- Immediate manager
- Someone else in the management structure
- Local human resources contact
- The Group Head of Risk or the Group General Counsel or the Company Secretary

Bodycote has also established and actively promotes the use of its Open Door Policy, where serious and / or sensitive matters can be reported in a confidential manner. The Open Door Policy is available to all employees via the Bodycote group internal website and on employee notice boards around the Group's sites.

Do not let any concerns go unresolved. If you report matters honestly and in good faith Bodycote will support you and you will not be penalised in any way.

## **2. Conducting our business**

### **2.1. Customers and suppliers**

We treat all our customers and suppliers honestly and with transparency. We respect any customer and / or supplier information to which they provide access and use it responsibly and as agreed with them. We must ensure that in all dealings, quotes and contract negotiations all statements, communications and presentations are accurate and truthful.

We are committed to achieving and exceeding our customers' commercial and technical expectations and creating value for them.

Decisions to purchase from suppliers (including the use of agents) are based on objective assessment of the supplier's reliability and transparency and on the overall value of the offering in view of short and long term considerations and objectives. When seeking suppliers we conduct thorough due diligence. We only select suppliers whose values and commitment to conducting business match our own. We should endeavour to avoid a situation of dependence with suppliers and therefore develop credible alternatives.

### **2.2. Export control**

All Bodycote companies exporting services (including technical information, assistance and training) and / or goods or performing services outside their own countries shall be responsible for complying with applicable export and import laws and regulations and obtain proper authorisations for the export and import of services and goods. Special attention should be given to dual use items (services and goods which can have an application to both civil and military fields). If in doubt appropriate advice should be sought from the Group Head of Risk or the Group General Counsel or the Company Secretary.

### **2.3. Competition and anti-trust**

We respect fair competition and honest business dealings. Competition and anti-trust laws are intended to ensure open and fair competition among companies. We must comply with such laws at all times. We will not discuss or participate in any agreement with competitors with the intent or effect of fixing prices, distorting a bidding process, dividing a market, limiting supply of service or production of product or boycotting a customer or supplier. We will not share the details of specific customer and supplier contracts or negotiations with our competitors, other customers or suppliers. If in doubt appropriate legal advice should be sought from the Group Head of Risk or the Group General Counsel or the Company Secretary.

### **2.4. Anti-bribery and corruption - General**

We are committed to complying with the Organisation of Economic Co-operation and Development's Bribery Convention and the Bribery Act 2010 (UK), which shall take precedence and all other applicable anti-bribery and anti-corruption laws where we do business. In general this means we must not offer, provide or accept, directly or indirectly, any financial or other advantage, including facilitation payments, to or from any person or body including any public official, political party, customer, employee or agent of a customer, lending agency or bank or any employee or agent of a lending agency or bank with a view to obtaining or retaining or providing business or securing any facility or favour that infringes regulations.

We only appoint intermediaries to represent our interests in the sales process who can demonstrate they fully comply with the principles of this Code and avoid bribery and corruption.

### **2.5. Anti-bribery and corruption - facilitation payments**

Making a payment or gift to a representative or an official (whether directly or indirectly) to encourage or induce them to act more swiftly may appear to be an acceptable practice, or customary in some parts of the world. However, such payments or gifts, often known as 'facilitation payments', are illegal in many countries. Where payments are illegal in the country they are being made we will not make such payments. Circumstances in which facilitation payments commonly arise include: when obtaining permits, licences or other official documents; when arranging import and export clearance; to provide access to facilities such as power and water. If in any doubt about whether to make a payment or if concerned that a payment has been made on our behalf by a third party without our instruction appropriate advice should be sought from the Group Head of Risk or the Group General Counsel or the Company Secretary.

### **2.6. Fraud and theft**

Fraud covers any action that intentionally attempts to gain advantage or a benefit to which there is no entitlement; attempts to cause loss; results in making a false representation or in failure to disclose

information; falsifies or obscures records. Theft is any act in which property belonging to another is taken without that other person's consent. For the benefit of the Bodycote business and all employees, all managers of the business are to have a zero tolerance towards fraud and theft whether by a shop floor employee, a senior manager or a Board member. All offences will be reported to the local law enforcement agencies. All of us are required to report all suspected cases of fraud or theft under the Bodycote Open Door Policy or by another appropriate channel. All allegations and investigations of fraud and theft will be treated with the highest confidentiality.

### **2.7. Money laundering**

Money laundering is the processing of criminal proceeds in order to disguise their illegal origin. We should all be cautious with the way payments are made to detect if irregularities may exist and with business partners and customers who demonstrate suspicious behaviours in their operations. If you have any suspicions you should ask a Bodycote manager.

### **2.8. Conflicts of interest**

A conflict of interest is any relationship, influence or activity that will impair, or even appear to impair, our ability to make fair and objective decisions when performing our jobs. A conflict of interest can take many forms, including: managing or recruiting a family member or friend; having a second job; holding financial interests in suppliers or competitors; or serving on the board of directors of another company for profit. When a conflict of interest arises it can cast doubt on our honesty and have a damaging effect on our reputation and the creation of value for customers, shareholders and employees.

Conflicts of interest must be avoided or carefully managed. In all cases you must act honestly and disclose a conflict to your manager as soon as you become aware of it.

### **2.9. Gifts and entertainment**

From time to time we may be presented with gifts from other business organisations. Any such gift which is offered, in the expectation of, or to solicit, favourable consideration of any nature must be refused and the fact of its having been offered reported immediately to management. Gifts, including entertainment, which are modest and provided on occasions when it is customary to exchange items of low value may be accepted and given subject to local laws and regulations and policies where the gift is made and only with the permission of your manager. We do not seek to influence government officials, departments or agencies through the provision of gifts or entertainment or other inappropriate means.

### **3. Operating our group**

#### **3.1. Protecting our assets**

Bodycote's assets include physical or tangible items (such as patented inventions and equipment), non-physical or intangible items which employees develop in the course of their work (such as ideas or know-how) and other assets such as customer and supplier lists and other market data. These assets are vital for the creation of value. We should all do our utmost to protect Bodycote's assets. We should not use any assets illegally or for purposes not related to Bodycote activities. We should ensure that assets are not lost, damaged or wasted.

It is critical for us to protect our know how and other written and unwritten confidential/sensitive information through formal registration (where appropriate), non-disclosure or, where absolutely necessary, disclosure subject to an appropriate confidentiality agreement/non-disclosure agreement. If in doubt as to how or whether you should disclose information you should seek advice from a manager

We do not tolerate the use of Bodycote information systems to access, copy, store or transmit any information or data considered to be offensive, obscene or inappropriate.

#### **3.2. Political contributions**

Political contributions are often subject to national laws and vary from country to country. Even when legally permitted, such contributions can be a source of abuse or otherwise perceived as a questionable practice. Accordingly we do not make contributions, financial or in kind to political parties or organisations, or to individual politicians.

#### **3.3. Charitable contributions and sponsorship**

Charitable contributions, when relevant to the communities in which we operate and in compliance with applicable laws and regulations, may be made in the name of a Bodycote company or using its resources, in each case with the approval of the Group CEO. Applications should be made via the Group CEO's PA.

### **4. Our people**

#### **4.1. Performance and opportunity**

We regularly review the performance of our people and provide constructive feedback. We apply performance targets in a fair and consistent manner. Our approach to remuneration seeks to reward our employees fairly and takes account of individual contributions to the performance of the business. We create value by investing in training and development to improve the skills of our employees and the capability of our business.

## **4.2. Equal opportunity, diversity and harassment**

We treat each other as we would expect to be treated ourselves, with honesty, transparency and respect and in a responsible manner. We do not tolerate bullying or harassment of any kind under any circumstances.

We shall comply with all laws and regulations forbidding any discrimination including with respect to age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual preference, political or philosophical opinions or trade union membership.

We promote diversity and equality and provide equal opportunities for all employees in a workplace free from unlawful discrimination.

When we observe inappropriate or unacceptable behaviour we have an obligation to do something about it; whether discussing with the person involved or reporting to a manager, using the Open Door Policy if appropriate.

## **4.3. Personal information**

Bodycote respects the personal privacy of its employees. We make sure individual privacy is safeguarded by only handling personal data in accordance with appropriate laws in order to meet necessary business needs and legal requirements. We all have a responsibility to keep personal information secure and observe individual privacy.

While Bodycote respects employee's privacy, the use of the internet, email and other company communication systems is not private to the employee. The company may periodically review messages for security and other business purposes in accordance with applicable laws and regulations.

## **4.4. Share transactions and inside information**

In the course of business, some of us may have access to information that can affect the value of Bodycote's shares or those of another company if such information were to become public. This is known as 'inside information'. Generally, it is an offence to deal or trade in shares when in possession of such information. We must never make such transactions. In addition, we must never give or disclose inside information to anyone else nor encourage them to deal in shares based on such information. If you are in any doubt as to whether you should discuss or disclose information or whether you are able to trade in shares you should seek advice from the Company Secretary.

## **5. Safety, health and the environment**

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We have a strong safety, health and environment culture which encourages awareness, the maintenance of high standards, individual responsibility and promotes open and constructive criticism so that we can continually improve our practices.

All employees are expected to accept their responsibility to work safely, adhering to safety rules and work procedures, using safety equipment provided, and generally to contribute to the maintenance of a safe and healthy workplace. They also have a duty to be environmentally responsible and to have regard for environmental controls.

**If you have any further questions please contact the Group Head of Risk or the Group General Counsel at Bodycote plc head office +44 (0) 1625 505 300.**