With our network of global locations, Bodycote is creating value along supply chains and we recognise the responsibility we inherit to manage our own environmental, social and economic impact but also the impact of our supply chain.

Given the nature of our business, procurement is completed at a local level, not necessarily conducted by a purchasing manager or a central purchasing department. Furthermore, as a global service provider, Bodycote's sourcing focuses on process gases, energy and equipment.

The Sustainable Procurement Policy is in line with the Group’s various internal and external policies and commitments. The guiding principles of this policy outline Bodycote’s societal responsibility, our legal compliance and the upholding of human rights, and our operation in transparent and fair competition.

1. **Scope, Application and Compliance**

This policy applies to all Employees of Bodycote and Third Parties performing procurement duties for or on behalf of Bodycote, whether or not directly employed by Bodycote. Our Sustainable Procurement policy shall be applied where relevant and proportionate to the goods, services or sub-contracts provided.

All employees involved in purchasing decisions must comply with any and all applicable laws, rules and legal regulations in the countries in which they and we operate, as well as with all Bodycote’s internal policies. We shall ensure that our business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign object parts and components and related technical data.

Responsibility for this policy lies with the Group Chief Executive.

2. **Sustainable Supply Chain Development**

As a world-leading provider of heat treatment and thermal processing services with operations around the globe, we are in a position to contribute positively to improved standards of environmental protection and sustainable business practices.

Our commitment is to reduce our operations’ direct impacts and provide more sustainable solutions for our customers. We aim to ensure a sustainable future for our business and the communities in which we operate.

We expect our Suppliers and Subcontractors to outline their sustainability efforts and comply with the following criteria:

- Suppliers and Subcontractors shall have a sustainability and sustainable procurement policy.
- Suppliers and Subcontractors shall demonstrate their efforts to support sustainable procurement practices along the value chain.

3. **Environment**

As a global service industry business, we will operate all work and business activities in a manner that ensures appropriate care and protection of the environment. We will comply with all applicable legal and other local
environmental obligations. We will proactively prevent adverse environmental effects and continuously improve our environmental management systems and performance.

In alignment with our Supplier Code of Conduct, we expect all our suppliers to:

■ Take action to prevent pollution and environmental degradation.
■ Take action to minimise the use of natural resources, including energy.
■ Comply with all applicable environmental legislation.
■ Implement and maintain an appropriate environmental management system which is at least comparable to the ISO14001 standard, ideally with third-party certification.
■ Support Bodycote’s own implementation and maintenance of the ISO14001 standard.
■ Manage hazardous material in line with applicable laws, regulations, standards and best practices.
■ Train employees and provide the necessary resources to make them aware of their personal environmental responsibilities in protecting the environment.
■ Design production and supply chain processes to ensure efficient use of resources and minimise environmental impact.
■ Promote greater environmental responsibility and the development and diffusion of environmentally sound technologies.
■ Be responsible for managing and reducing the environmental impacts of outsourced processes and services.
■ Be able to demonstrate the benefits of their activity to manage and reduce environmental impacts.

We expect all our Suppliers and Subcontractors to have in place and maintain the following documents which they shall adhere at all time:

■ Environmental Policy, outlining their Waste Management Policy and Water Consumption Policy.
■ ISO 14001 or comparable certification.
■ Greenhouse gases emissions strategy and plan based on scientific evidence preferably aligned to standards such as SBTi.

4. Social Responsibility

We believe all people have a right to life, personal liberty, personal security and to be treated with dignity and respect, as outlined in our Human Rights Policy and Anti-Slavery and Human Trafficking Policy.

We are committed to maintaining an ethical and transparent supply chain free of all types of modern slavery and human trafficking. It is the right of all people to receive fair, equal and non-discriminatory consideration in access to and the processes of employment.
We take the health and safety of our employees, visitors, contractors, customers and suppliers very seriously. We believe this is something we all have to play a part in - it is our legal and moral responsibility to take care of ourselves and others.

In alignment with our Supplier Code of Conduct, we expect all our suppliers to:

- Guarantee an individual's free choice of employment.
- Respect employee freedom of association and the right to collective bargaining.
- Not use child labour – the minimum age for admission to employment should not be less than the age of completion of compulsory schooling and never be less than 15 years. Hazardous work may not be done by anyone below the age of 18.
- Not to discriminate on the basis of race, colour, sex, religion, political opinion, national extraction, sexual orientation or social origin.
- Ensure working hours are not excessive.
- Provide working conditions that are safe and hygienic.
- Not allow harsh or inhumane treatment.
- Pay the legal minimum wage.
- Only employ individuals with the legal authorisation to work.

We expect all our Suppliers and Subcontractors to have in place and maintain the following policies and shall adhere to them at all times:

- Diversity & Inclusion policy
- Human Rights policy
- Code of Conduct / Business ethics policy
- Modern Slavery Statement

5. Bribery and Corruption

Bodycote has a zero tolerance of bribery and corruption.

Our corporate conduct is based on our commitment to act honestly and transparently, with respect and responsibility. It is better to miss out on business or incur additional costs than be involved in corrupt practices.

We do not tolerate any form of bribery and corruption, and we require the officers and employees of all Bodycote Group companies and all associated persons (including our dealers, suppliers and agents) to act in line with this principle.

Bodycote will not offer, give or receive, either directly or through any third party, any financial or other advantages to obtain new business, retain existing business or secure any other improper advantage, and we will not permit others to do so.
We expect all our Suppliers and Subcontractors to have in place and maintain the following policies and shall adhere to them at all time:

- Anti-Bribery and Corruption Policy
- Supplier Code of Conduct

These policies shall include suppliers’ commitment to:

- Promote vigorous, open, honest and fair competition and conduct business following all applicable anti-competition or anti-trust law and regulations.

- Prohibit any actions that falsify or distort free competition or market access and not be involved in any anti-competitive understandings or agreements, including improper exchange of competitive information; price fixing; bid rigging or improper market allocation.

- Never carry out and actively prevent the offering, promising or giving and the requesting, agreeing to receive or accepting of anything that could be construed as a bribe by any person associated with them (a "bribe" being an offer or receipt of something of value as an inducement or reward for improper performance or acting not in good faith or with impartiality in connection with a function or activity. Any local custom or practice is to be disregarded unless permitted or required by the written law of the country or territory concerned).

- Prevent the payment of facilitation or 'grease' payments made to secure or speed up routine actions where these are not permitted by the written law of the territory in question and only make such payments where a formal receipt or written confirmation of its legality can be obtained. If, however, the demand is accompanied by immediate threat of physical harm, then safety should always be a priority.

- Promote honesty and integrity in their business conduct, including through training of staff.

- Never conceal or fail to record wholly and accurately the true nature of its activities as a supplier to us.

- Never pursue business that requires them or us to engage in unethical or illegal activity including extortion, fraud, deception, collusion, cartels, theft and money laundering.

We prohibit the offer or receipt of gifts, hospitality or expenses whenever they could affect or be perceived to affect the outcome of a business transaction (where a common sense approach should be applied with rejection in the cases of any doubt). Promotional expenditures of this type are only considered legitimate where they are open and transparent, proportionate, reasonable, accord with general business practice and are made in good faith for a legitimate business purpose and not where they place the recipient under any obligation or create any expectation in the giver. Cash gifts, regardless of value, will never be accepted.
If you have any further questions, please contact the Group General Counsel at Bodycote plc registered office +44 (0)1625 505300.

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