

Sustainability report

Our approach

POWERING. SUSTAINABILITY.



As a global leader in our industry, we are setting the standard for sustainability. We are committed to an ambitious journey towards lower environmental impact and we have the technologies, capabilities, and resources to succeed. We have already reached significant milestones and continue to set higher goals to further accelerate our progress.”

Jim Fairbairn
Chief Executive Officer

Bodycote's Powdermet® – Hot Isostatic Pressing manufactured component – see case study on page 20.

We enable customers to produce better, stronger and more sustainable components through our deep engineering expertise, world class range of metallurgy solutions and cutting-edge specialist technologies.

We recognise our opportunity to influence emissions and environmental performance across many end-markets. As well as impacting the Group's own productivity, our sustainability record influences customers' performance by extension. We process components for a wide range of industries and have an extensive sphere of influence. As global leader in the thermal processing industry, we take responsibility for being at the forefront of decarbonisation and setting the standard for sustainability. Our ability to provide solutions for the sustainability challenges our customers are facing also gives us a clear competitive advantage, and is a key focus of our strategy.

We have driven significant progress in our sustainability performance in recent years. In 2024, we delivered a step change in our safety performance, reducing the Total Recordable Incident Rate by 35%, and delivered our first SBTi-approved carbon reduction target six years early, having reduced emissions by 29% since 2019. This year, we introduced a new, integrated sustainability strategy to amplify our positive impact for customers and support the development of low-carbon industries. It is designed to meet customers' key requirements of Bodycote (CO₂ emissions reduction, safety and social responsibility, and environmental management) and, in parallel, drive performance within Bodycote in the areas that play the greatest role in enabling us to meet customers' expectations, and deliver operational and financial performance.

Sustainability is a key part of our 'Optimise, Perform and Grow' strategy, both underpinning and accelerating its execution. Our sustainability commitments are also enshrined in our new corporate values: Safety First, Performance, Customer Experience, and Sustainability. This ensures that both what we do as a business, and how we do it, is directed by our beliefs and maximises value creation for the benefit of all our stakeholders.

Sustainability report

Our approach continued

Our new integrated sustainability strategy positions Bodycote as a global leader both now and for the future.

In 2024 we developed a new, integrated sustainability strategy. It is rooted in our business strategy, which focuses on providing a world class range of metallurgy solutions and cutting-edge specialist technologies that enable customers to produce better, stronger and more sustainable components. Its execution will be enabled by our new corporate values, which directly align to, and support, our sustainability goals. They guide the behaviours essential for our success: Safety First, Performance, Customer Experience, and Sustainability, motivating the global Bodycote team to drive our performance and growth goals in the right way.

Our sustainability strategy has been tailored to advance customer priorities (service, quality, expertise and sustainability), and business priorities (leadership, technology, culture and responsibility). It is structured around these two key areas, which together cover sustainability (what we do) and responsibility (how we do it). Through our materiality assessments, we have identified four main drivers in each area that will maximise the value creation potential of our sustainability agenda.

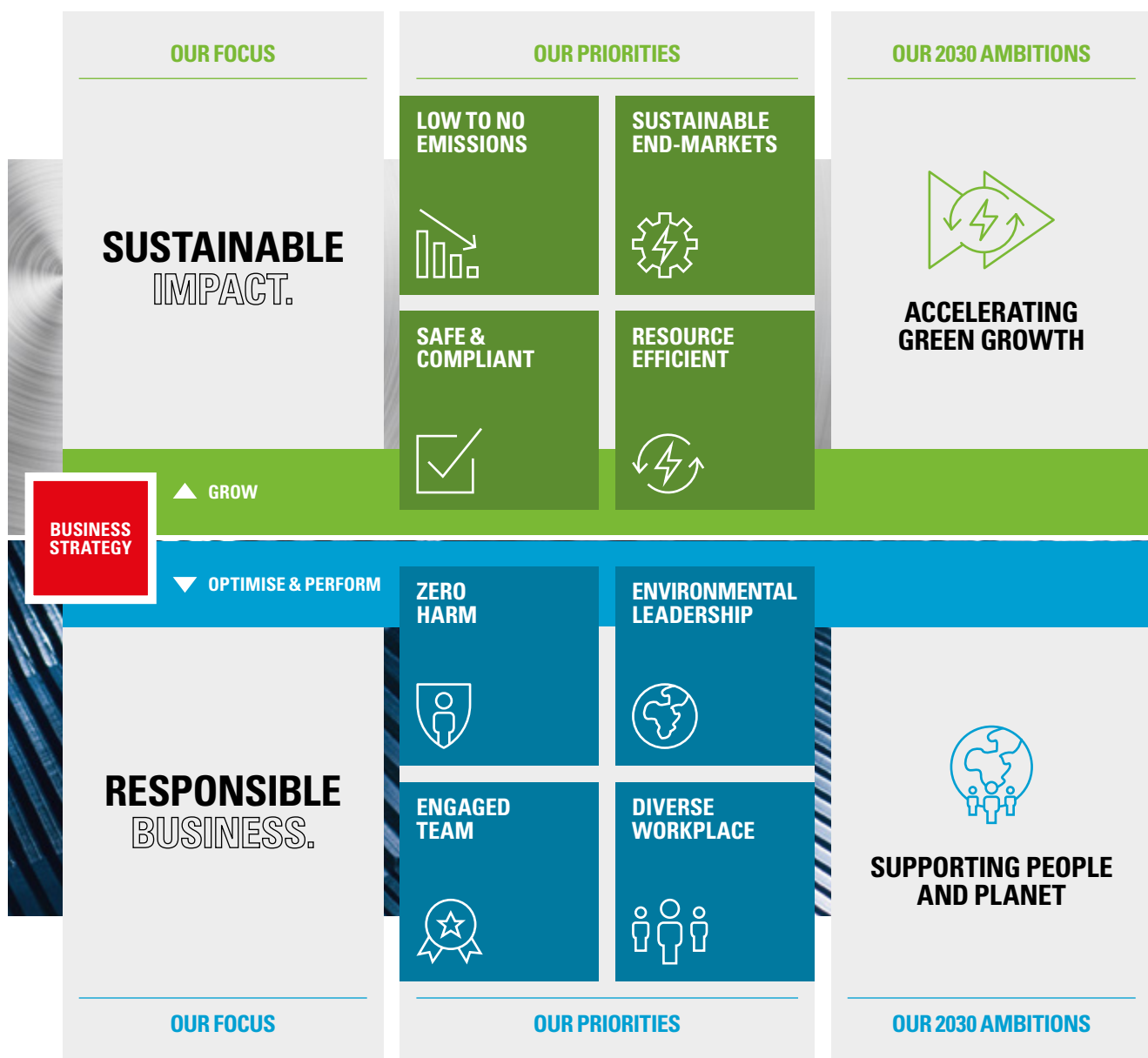
Our **'Sustainable Impact'** pillar addresses the following key customer priorities:

- Low-carbon processes
- Solutions for improved product safety
- Greater resource efficiency
- Support for sustainable industries

Our **'Responsible Business'** pillar underpins our delivery of sustainable impact externally, by focusing on four key business priorities internally:

- Zero harm culture
- Environmental leadership
- Maximising employee engagement
- A diverse and dynamic workplace

The adjacent diagram depicts how these areas come together to form our new, integrated sustainability strategy.



Sustainability report

Our approach continued

We launched our new sustainability strategy in December 2024 and announced three new environmental targets as part of its initial roll out:

- By 2030, to reduce absolute Scope 1 and Scope 2 greenhouse gas emissions by 46% versus 2019 levels. This is an increase from our initial SBTi approved target, which we have met six years early.
- Enabling our customers of atmospheric processing services to avoid 125,000 tonnes of CO₂e cumulatively by 2030. Our avoided emissions quantification and target setting methodologies have been validated as being aligned to external best practice guidelines. See page 44 for details.
- An increase in the proportion of our revenue which supports sustainable end-use markets and applications to at least 20% by 2035 (from a current level of approximately 7%).

In addition we have set two new, voluntary Scope 3 emissions reduction goals under our 'Environmental Leadership' focus area. These are as follows:

- To reduce absolute Scope 3 GHG emissions from fuel and energy-related activities by at least 45% by 2030 from a 2019 base year.
- For 30% of suppliers of purchased goods and services (by emissions) to have science-based or other carbon reduction targets by 2030.

The design of our new strategy was informed by customer interviews, investor and employee engagement, and a materiality assessment, ensuring it is aligned to our key risks and opportunities and provides clear strategic direction.

Further details on these targets and our plans to achieve them are set out in the Sustainable Impact and Environmental Leadership sections on pages 44 and 59 respectively. We will continue to develop our capability to measure progress and introduce additional KPIs and targets in future iterations of the framework.

Transparent communications

Bodycote is on a journey towards world class for sustainability. Transparent disclosure forms a key part of our strategy. We are committed to transparent communication of our sustainability policies, actions and performance.

We have continued to augment our disclosures this year to support stakeholders in their assessment of our performance, referencing standards such as the Global Reporting Initiative (GRI) Index, the SASB standards, ESG ratings' assessment frameworks, and the European Sustainability Reporting Standards (ESRS) for the development of our disclosures.

Following the recent release of the European Commission's Omnibus Simplification Package proposals, we continue to keep abreast of developments and will evolve our future disclosures roadmap as necessary, while ensuring that our disclosures continue to add value and maximise the benefits to our stakeholders.

Determining materiality

In 2024, we completed a 'double materiality' assessment. Insights obtained through the assessment informed our new sustainability strategy and helped us understand areas of potential expansion in our data and disclosures.

Our materiality assessment involved undertaking a deep analysis of the impacts Bodycote has, or could have, on people and the environment (impact materiality), as well as risks and opportunities related to sustainability drivers (financial materiality). It was conducted in accordance with reporting standard ESRS 1, which provides guidance for materiality assessment. This framework supported our evaluation of key sustainability impacts, risks and opportunities to inform our strategy, business model and response to sustainability-related challenges. We engaged an expert third-party to support our work and ensure objectivity.



Ambitious new targets

46%

reduction in absolute
Scope 1 and Scope 2
greenhouse gas emissions
by 2030

125,000

tonnes of CO₂e of atmospheric
processing avoided by 2030

Sustainability report

Our approach continued

Our materiality assessment process involved undertaking an extensive review of public reports and internal documentation, and engaging with internal and external stakeholders, including customers, shareholders, employees, and suppliers. We also incorporated proxy data to represent the environment as a 'silent stakeholder'.

The assessment was overseen by a governance committee comprising the Group's Chief Executive, Chief Financial Officer, Chief Sustainability Officer and Company Secretary, and undertaken by a working group representative from key corporate and operational functions.

Our materiality assessment comprised the following steps:

1. Value chain mapping

- Mapping the Group's business model and value chain across its global operations to identify i) all sources of potential and actual impacts on people and/or environment; and, ii) where Bodycote relies on natural, human and social resources that could be subject to changes.
- Employing the value chain map to identify key stakeholder groups - those whose interests are, or could be, affected either positively or negatively by Bodycote, as well as users of sustainability statements.

2. Sustainability impact, risk and opportunity definition

- Establishing a long-list of sustainability impacts, risks and opportunities as informed by the value chain mapping exercise, Bodycote's policies and other internal documents, a media scan, peer review, ESG reporting and ratings frameworks, and the ESRS standards.

3. Stakeholder engagement

- Conducting interviews with key stakeholder groups to qualify value chain information and ensure all relevant impacts, risks and opportunities were captured and appropriately framed in our long-list.

4. Scoring potential and actual impacts, risks and opportunities

- Developing an impact, risk and opportunity scoring framework, aligned to Bodycote's Enterprise Risk Management processes as well as ESRS definitions and guidance on time horizons (short-, medium-, and long-term) when assessing the significance and impact of sustainability topics.

- Scoring each impact, risk and opportunity through a four-stage process comprising: i) scoring by one of our subject matter experts; ii) review by a second subject matter expert; iii) calibration of scores by the Group Sustainability team; and, iv) review and challenge by our independent external sustainability consultants.
- Establishing and validating a materiality threshold above which sustainability topics are deemed to be material for Bodycote, with Executive Committee approval of the threshold and topics subsequently deemed as material.

Priority issues identified through the assessment have been integrated into our new sustainability strategy and associated short- and medium-term targets. We expect our suite of KPIs and targets to develop as we continue to mature our strategic approach, and will continue to augment our disclosures in line with leading sustainability reporting frameworks and standards as part of our commitment to continuous improvement, and to ensure alignment to evolving sustainability-related regulations.

Delivering our agenda

The Group has established a clear governance structure to deliver its sustainability agenda. The Group CEO is ultimately responsible for the execution of the Group's sustainability strategy. The Chief Sustainability Officer, a member of the Group Executive Committee, leads the definition, implementation and communication of the Group's sustainability agenda. The CEO, and the Chief Sustainability Officer, provide regular updates to the Board, including through deep dive sessions at least twice a year. The Risk and Sustainability Committee supports the Executive team in implementing sustainability actions. It usually meets three times a year.

Sustainability incentives

Bodycote recognises the benefit of incorporating ESG measures in executive compensation. Non-financial KPIs, such as those relating to carbon reduction, have been incorporated in Executive Directors' remuneration plans for several years.

In 2024, the annual bonus scheme for Executive Directors, Senior Executives and the wider leadership population included an ESG metric, with colleagues incentivised to achieve an absolute reduction in energy consumption. This focus on energy efficiency drove a reduction of 8.4% year-on-year in energy consumption, delivering both environmental and financial benefits.

The suitability of incentives is reviewed annually, taking into account shareholder feedback and changes to the Group's strategy, to ensure continued alignment. In 2025, to align with our long-term sustainability targets and ambition to be known as a sustainability leader, the Group's long-term incentive plan has been amended to incorporate a metric with a greater weighting (20%) aligned to the achievement of the Group's new carbon emissions reduction target (46% reduction in CO₂e by 2030 vs 2019). See the Remuneration Report on page 95 for information.

Measuring our progress

Bodycote engages with external agencies to measure progress and identify areas for improvement. We proactively engaged with ESG ratings agencies in 2024 to improve their understanding of our performance. Our rankings improved as a result.

Bodycote is rated 'A-' by CDP, up from 'D' two years' prior. We achieved a score of 60/100 in our latest EcoVadis assessment, up from 42/100 the prior year, placing the Group in the 71st percentile of all companies rated by EcoVadis globally. The Group's ISS ESG score increased by 9 points, resulting in a 'C' rating, up from 'C-'. Sustainalytics' classification of Bodycote improved to 'medium risk' (previously 'high risk'). Bloomberg's ESG scores for Bodycote also improved, resulting in a sector 'Leading' score in 2024.

Sustainability report

Sustainable impact



LOW TO NO EMISSIONS

OUR COMMITMENT

Our low-carbon processes help customers accelerate the achievement of their environmental ambitions faster and more effectively.

OUR 2030 GOAL

We will help our batch atmospheric processing customers reduce their greenhouse gas emissions by at least 125,000 tonnes of CO₂e by 2030.

OUR PRIORITIES

- Lower carbon processing
- Customer saved emissions (Scope 1 and Scope 2)
- Avoided emissions (Scope 4)
- Carbon calculation

In delivering a suite of energy efficient and sustainable thermal processing services, Bodycote helps customers reduce emissions and environmental impacts across the entire manufacturing process.

The increasing pressure to decarbonise industrial value chains provides a growing opportunity for Bodycote to support customers in achieving their environmental sustainability goals. Outsourcing is already recognised by customers as one of their key levers for achieving their carbon reduction targets, and by partnering with Bodycote, customers can be assured that their outsourced emissions will also decrease in line with a 1.5 degree trajectory.

Bodycote is focused on developing and executing its strategy to capture and create sustainability-related growth opportunities. As part of this, we have developed a suite of carbon calculation tools to provide the necessary proof points to customers. They enable us to illustrate the energy, carbon emissions, material use, and waste management benefits that can be unlocked by switching heat treatment and surface technology processes to Bodycote. We now have best-practice calculator tools in place for thermal processes representing 70% of sales.

Avoided emissions calculator

Our proprietary 'avoided emissions' tool compares a customer's thermal processing emissions to Bodycote's, illustrating the emissions reduction customers can achieve by outsourcing processing to Bodycote. The tool uses a range of input data – such as the type of furnace, number of parts processed per cycle, processing time, and type of processing gas used – compared with 'real world' data inputs from Bodycote's own operations where the customer's parts would be processed. Outputs run for specific customer scenarios have shown the potential to reduce emissions by up to 60% for a comparable treatment approach.

Product carbon footprint calculators

Our evolving suite of carbon calculator tools now also includes product carbon footprint calculators for Bodycote's most popular processes. They have been developed to align with the ISO 14064-3:2019 standard and enable us to offer customers product carbon footprint data for batch atmospheric processing, low pressure carburizing (LPC), vacuum heat treatment, Hot Isostatic Pressing (HIP) and gas nitriding services.

Importantly, our product carbon footprint calculators enable us to compare the relative impacts of different thermal processes. The case study on page 23 provides an example illustrating how Bodycote's expert team used product carbon footprint insights to switch a key customer from a batch atmospheric process to low pressure carburising – resulting in a 93% reduction in emissions per part, as well as a better quality product for the customer.

We plan to develop calculators for four additional processes during 2025, to support our strategic drive to increase outsourcing by customers and create opportunities to switch them to lower carbon, higher margin thermal processing.

New customer avoided emissions target

Bodycote announced its first avoided emissions target in December 2024, underpinning our commitment to providing solutions that lower our customers' carbon emissions. Our target is to enable our batch atmospheric processing customers to avoid 125,000 tonnes of CO₂ by 2030 on a cumulative basis¹. Heat treatment is typically an energy intensive step in component manufacturing, and our investment in efficiency and innovation enables customers to tackle this crucial element of their product lifecycle. We intend to expand our focus over time to include additional processes – to augment our understanding, guide our customers towards carbon reduction, and amplify our impact.

Our avoided emissions calculation methodology, and our avoided emissions baseline and target, have been externally validated as being aligned to the World Business Council for Sustainable Development's guidelines for avoided emissions accounting and target setting.

¹ Bodycote's atmospheric processing service lowers emissions intensity per batch vs. customers' comparative in-house treatment due to our operational efficiency and decarbonisation measures. This, our first avoided emissions target covers a single, widely used thermal processing technology. We intend to expand the scope to include other processes in future.

Sustainability report

Sustainable impact continued



SUSTAINABLE END-MARKETS

OUR COMMITMENT

Our technologies support emerging low-carbon industries such as clean tech, EV manufacturing and renewable energy generation sectors.

OUR 2035 GOAL

We will increase the proportion of revenue supporting sustainable end-use markets and applications to at least 20% by 2035.

OUR PRIORITIES

- Supporting low-carbon industries
- Enabling the development of wind, solar, wave and fuel cell technologies
- Accelerating the implementation of low-carbon solutions

Bodycote recognises its opportunities to support growth in new sustainable products and sectors that will enable the global transition to net zero.

In 2024, Bodycote developed a 'Green Revenue' framework to measure the proportion of our revenue that supports sustainable end-use applications and markets to help advance our strategic response to green growth opportunities.

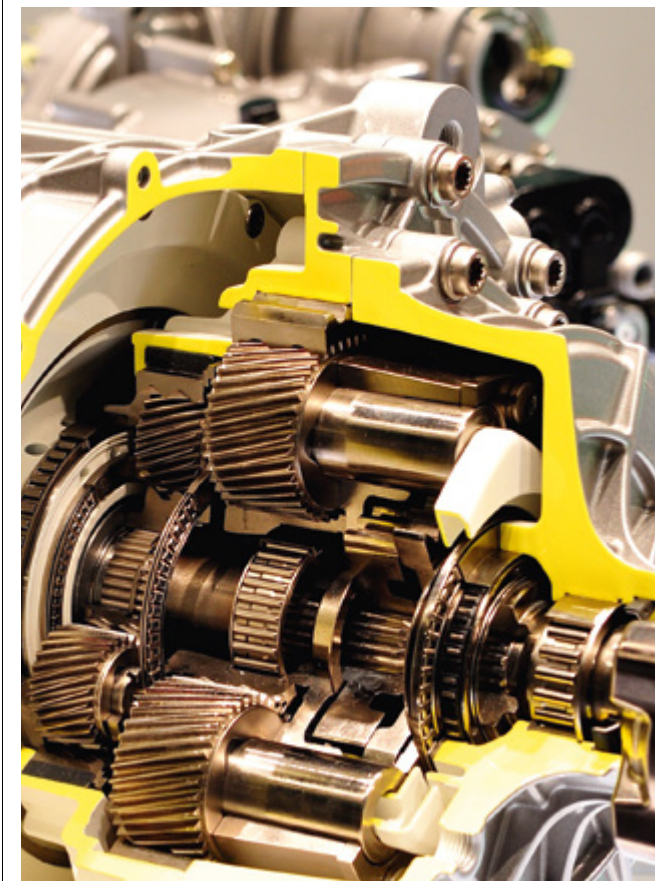
The purpose of our Green Revenue framework is to understand our exposure to markets that enhance sustainability and drive action towards our goal of growing the role we play in these sectors. Over 7% of Bodycote's revenue is currently supporting end-use markets and applications that align to our Green Revenue framework, based on an initial, conservative assessment, and excluding short-term transitional technologies. We have set a target to increase the share of green revenues to at least 20% by 2035 – nearly three times today's level.

Our internal framework is guided by leading taxonomies such as the FTSE Russell Green Revenues Classification System and EU Taxonomy. It identifies markets and end-use applications of the components we treat that facilitate positive environmental impact. We do not include our own processes or any enhancements to the sustainability attributes of products within this particular framework.

Our sustainable end-use application and market revenue can be split into the following categories:

1. End-use markets and applications that manufacture zero or low-carbon vehicles
2. End-use markets and applications that develop renewable and low-carbon energy solutions
3. End-use markets and applications that enable resource and energy efficiency

We have mapped our revenues to end-markets, taking care to apply conservative assumptions where our visibility of the end-use of products is unclear. This is our first year in applying our framework, providing an initial indication of Bodycote's revenue exposure to markets and applications that enhance environmental impact. We will work to improve our analysis over time, aligning to any updates in global green taxonomies, and leverage the framework to identify where there may be increased demand for services as part of the net zero transition to inform our customer relationships and business planning processes.



Sustainability report

Sustainable impact continued



SAFE & COMPLIANT

OUR COMMITMENT

Our solutions improve product safety and assist with adherence to important compliance requirements.

OUR 2030 GOAL

We will work as the industry standard-setter for material science that prioritises safety, health, and the preservation of the planet.

OUR PRIORITIES

- Certified solutions (eg. REACH compliant)
- Improving sustainability performance (eg. via surface technology)
- Safer coatings (eg. HVOF coating)

Innovative coatings for improved safety

Bodycote's Surface Technology business provides High-Velocity Oxygen Fuel (HVOF) coatings for materials such as metals, alloys, ceramics, plastics, and composites. HVOF is an advanced thermal spray coating technique that uses a high-speed stream of oxygen and fuel gas to propel molten particles onto a substrate surface to create a dense, tightly bonded coating with excellent adhesion and high-quality mechanical properties.

HVOF coatings offer exceptional hardness, wear resistance, and corrosion protection, making them suitable for demanding applications. Importantly, Bodycote has proven that HVOF coatings provide a viable substitute for processes that have traditionally used hexavalent chrome, without compromising the performance and functionality of the coated parts or components.

Also known as chromium (VI), hexavalent chrome has been widely used in industry to secure corrosion resistance and durability of components. However, its toxicity presents significant risks to human health and the environment, and as a result, it is subject to strict restrictions under the EU's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

HVOF coating technology offers a REACH-compliant solution that surpasses customers' specified performance requirements, while minimising environmental impacts across a wide range of applications in critical sectors, including aerospace, automotive, and other manufacturing industries.

Bodycote has worked with OEMs and their tier 1 suppliers in the aerospace industry on new generation components that use HVOF to replace hexavalent chrome solutions. We have successfully transitioned customers to HVOF coatings for landing gears, engines and fuel pumps. These customer collaborations to drive uptake of HVOF coatings have delivered improvements to workplace safety, reduced environmental contamination risks, extended components' lifespans and demonstrated an overall pathway to a more sustainable future.



PRIORITISING ENVIRONMENTAL PRESERVATION

Our focus on driving more sustainable solutions through our engineering expertise extends to our own operations and ways of working. We have an ongoing programme to minimise waste and enhance wastewater treatment processes in our Katrineholm, Sweden plant.

We have concentrated on reducing the amount of wastewater produced by our processes and improving the efficiency of our on-site wastewater treatment plant. By optimising the replacement rate for degreasing cleaning cycles, we have reduced the volume of degreasing solution used in our cleaning processes by over 75% in the past three years. This has resulted in savings on disposal costs and a reduction in vehicle movements by waste contractors.

Focusing on improving our on-site wastewater treatment plant, including changing the coagulants used to clean the wastewater, has helped reduce our chemical coagulant consumption by over 70% in the past three years. This has also led to a 65% decrease in the waste metal hydroxide slurry we dispose of.

Our continued focus on operational efficiency and environmental impact reduction will be further enabled by our new Groupwide chemical management system. See page 58 for details.

Sustainability report

Sustainable impact continued



RESOURCE EFFICIENT

OUR COMMITMENT

Our treatments enable customers to achieve more with less by increasing durability, resilience, and sustainability performance.

OUR 2030 GOAL

We will provide specialist technologies and support research and development that enables customers to realise their growth and sustainability ambitions.

OUR PRIORITIES

- Specialist technologies that support customer sustainability
- Solutions that enable materials, energy, waste and water savings for customers (eg. powder metallurgy, additive manufacturing)
- Involvement in customer R&D into more sustainable solutions

Bodycote's Specialist Technologies are also enabling positive environmental impact for customers.

Our leading treatments enable lighter, thinner components to be adopted that require fewer replacement parts, less machining, less energy, and lower water use. We offer a range of solutions that help customers reduce emissions at each stage of the manufacturing process (Scopes 1–3) to enable positive environmental impact for customers and help them meet their goals.

Bodycote's Powdermet® (powder metallurgy) Hot Isostatic Pressing technology (PM-HIP) offers freedom of design and superior material properties, replacing forged shapes with sleeker, lighter designs with homogenous material properties and leaner manufacturing processes. This enables customers to produce improved products while reducing costs and lead times, and delivering better sustainability outcomes.

During the year, we studied the energy use of near-net-shape PM-HIP compared with hot forging for industrial metallic components. Our study focused on the energy use in the manufacturing stages of each process, a crucial topic as industries aim for sustainable production without compromising quality or timelines. This is particularly relevant to new power and energy facility construction, where the energy efficiency and carbon intensity of the components used in the initial construction are critical factors in evaluating the net benefits of clean energy supply and reducing carbon related costs, but it is essential that these factors can be delivered in a cost-effective manner without extending project timeframes, or reducing quality. Our analysis established that PM-HIP is significantly more energy-efficient, whilst also supporting cost, quality, and lead-time drivers. Results showed hot forging used 15.1 MWh, while PM-HIP used just 5.3 MWh, a 65% reduction; enough to power an average home for a year. Key factors included a 60% weight reduction in the optimised PM-HIP design, consolidated post-process heat treatment, reduced machining, and no overlay welding, which also reduces risk and lead time. A combination of Powdermet® and HIP enables a transformational approach to

manufacturing that vastly improves resource efficiency, significantly reducing both the amount of material and energy inputs needed for product manufacture.

Sustainably manufactured components offer industries significant environmental benefits by minimising the raw materials used, lower energy and associated carbon emissions from manufacturing, and a reduction in the waste produced. These more efficient manufacturing processes deliver industries a pathway to meet their own sustainability goals, enabling a reduction in the overall environmental footprint of their products, and aligning with global efforts to tackle climate change and minimise resource depletion.

Bodycote is aiming to increase the addressable market for Powdermet® as a key element of our growth strategy, supporting customers to achieve superior, more sustainable components. See page 20 for our Specialist Technologies business review.

NEXT STEPS

- Grow our partnerships with customers to capture and create new business opportunities through delivering their carbon reduction and environmental goals.
- Augment our suite of product carbon footprint calculators to include additional thermal processing services and obtain external verification of our methodologies.
- Expand the range of technologies covered by our avoided emissions target, to increase understanding of our impact and guide customers towards solutions that support their carbon reduction goals.

Sustainability report

Responsible business



ZERO HARM

OUR COMMITMENT

We promote a safety-first culture to ensure that all our people return home from work safely and securely.

OUR GOAL

We will embed our zero harm culture Groupwide and drive continuous improvement in our performance.

OUR PRIORITIES

- Creating a zero-harm culture
- World-class EHS management system
- Governance, training, and accountability
- Near miss reporting for continuous improvement

In 2024, we transformed our health and safety strategy with the introduction of a new management framework, our 'House of Safety'. At its core, the framework builds on our commitment to 'Safety First' as a core organisational value.

Our new strategy takes a comprehensive approach to health and safety, addressing risk awareness and the cultural and systemic factors that underpin workplace safety. It has three strategic focus areas: 'Leadership', 'Risk Awareness and Assessment', and 'Standardised Approach'. Together these provide a cohesive, proactive framework for embedding a world-class safety approach at all levels of our operations.

Strategic Area 1: Leadership

We believe that an organisation's safety culture starts at the top and must cascade through every layer of management. To that end, we have implemented two key initiatives under this area:

- **Daily Management:** Our managers are now directly involved in the daily oversight of health and safety practices within their teams, integrating safety in day-to-day decision-making and embedding accountability at every level.
- **Executive Safety Walks:** By visiting sites, engaging with employees, and observing safety practices, senior executives show their commitment to health and safety, provide real-time feedback, and take action where further support or improvement is needed.

Through these initiatives, we are creating a culture of visible, hands-on leadership where safety is a shared value across all teams.

Strategic Area 2: Risk Awareness and Assessment

The second area of our strategy focuses on equipping our workforce with the tools and knowledge to identify and manage risks effectively. Under this area, we have introduced two essential practices:

- **Job Safety Analysis (JSA):** These analyses help employees identify potential hazards and take precautions to mitigate them. JSA promotes critical thinking and a culture embedding safety in operational planning.
- **Gemba Walks:** These walks involve managers and supervisors visiting work areas to observe processes, engage with employees, and identify safety risks, to enhance risk awareness and strengthen workplace relationships.

Together, these practices empower our workforce to be vigilant, informed, and proactive in managing workplace risks.

Strategic Area 3: Standardised Approach

This area emphasises the creation of uniform systems and processes that address our most critical safety challenges. Key initiatives include:

- **Bodycote's Safety Critical Rules:** Our Safety Critical Rules to address the 12 primary safety risks across our operations. They provide clear, actionable guidance to ensure that everyone, regardless of location or role, follows the same high standards (see page 58).
- **Group Management System Relaunch:** Our Group Environmental, Health, and Safety (EHS) Management System has been streamlined to harmonise regional and local EHS systems and enable more effective implementation and compliance across the organisation.

We are also placing strong emphasis on knowledge sharing as a means of driving continuous improvement. EHS incidents and best practices are shared across the organisation to enable employees to learn from one another and replicate successful strategies in their own areas of operation.

Sustainability report

Responsible business continued

Bodycote's Safety Critical Rules

	Personal protective equipment		Manual handling
	Confined spaces		Hot work
	Machine guarding		Forklifts and mobile equipment
	Line of fire		Working at height
	Isolation and zero energy		Chemicals and hazardous substances
	Lifting operations		Surroundings

Health and safety management

Bodycote's EHS management system is aligned with the ISO 45001 standard for occupational health and safety. We hold ISO 45001 certification in 23% of our facilities globally. Each site has a dedicated internal EHS audit at least once every 3 years.

In 2024, Bodycote introduced new software to enhance chemical management practices in our facilities. The system supports best practices in:

- **Chemical compliance and risk mitigation**, providing up-to-date information on hazardous materials, classifications, and storage requirements in line with local and international regulations.

- **Safety and efficiency**, providing instant access to chemical safety data to reduce errors in handling hazardous substances.

- **Data analytics**, to help track chemical usage and optimise purchasing, reducing costs and environmental impacts.

Embedding industry-leading chemical management practices is a key workstream in our journey to become a world-class health and safety company. We will begin reporting on chemical management actions in 2026 following the full rollout of the system.

Measuring performance

The Group's health and safety performance is monitored at all levels, with monthly reviews by the Board and Executive Committee. Both leading and lagging metrics are tracked. We expect a culture of transparency among employees, contractors, and visitors, encouraging all incidents to be reported.

Lagging indicators

Our lagging indicators provide insight into past performance, helping to assess the effectiveness of our health and safety initiatives.

We use total recordable incident rate (TRIR) and lost time injury rate (LTIR) as our two key lagging indicators. We achieved a significant improvement in both KPIs in 2024:

- The TRIR was 1.8, reduced from 2.8 in 2023¹
- The LTIR was 1.1, reduced from 1.5 in 2023²

There were no work-related fatalities among Bodycote employees or contractors (nor in any of the last five years).

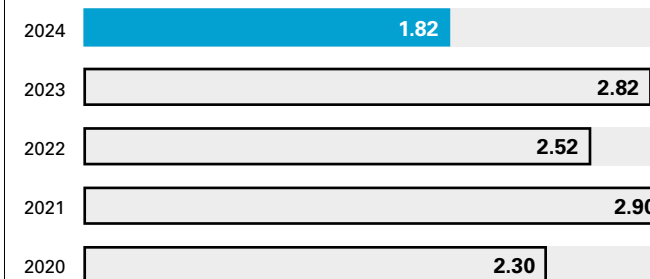
We applied additional focus to accidents arising from manual handling of parts, slips, trips, and falls, and lifting operations, due to an increase in these incidents in 2023. As a result, manual handling incidents decreased by 24%, slips, trips, and falls by 47%, and lifting operations by 29%.

Leading indicators

Our leading indicators measure employee engagement, identify improvement opportunities, and proactively address potential risks before accidents occur. We track two key indicators:

- **Near misses**: there were 274 near misses reported in 2024 (2023: 356).

Total Recordable Incident Rate (TRIR)



- **Opportunities for improvement**: 4,203 opportunities for improvement were identified (2023: 2,454), showing a positive trend of engagement in safety awareness and reporting.

Supporting employee health

Bodycote is committed to promoting occupational health across all its sites by prioritising employee health and implementing comprehensive health management standards.

The Group has a range of initiatives in place to support employees' wellbeing. We monitor workplace conditions such as noise, dust levels, temperature, and ergonomics. We ensure that our Risk Assessments support the identification of potential health impacts and reduce risk exposure.

NEXT STEPS

- Implement safety daily management at all sites in 2025 to ensure that safety policies, procedures, and protocols are implemented correctly every day.
- Complete the rollout of our new chemical management system to improve insights and transparency, and support safety and operational efficiency.

¹ TRIR represents the number of recordable cases per 200,000 hours worked. All workers are included in reporting – employees and contractors.

² LTIR represents the number of lost time incidents per 200,000 hours worked.

Sustainability report

Responsible business continued



ENVIRONMENTAL LEADERSHIP

OUR COMMITMENT

We are taking direct action to manage our use of natural resources and to improve the energy efficiency of our processes.

OUR 2030 GOAL

We will reduce our Scope 1 and Scope 2 emissions by 46%.

OUR PRIORITIES

- Scope 1 and 2 emissions reduction
- Energy use and decarbonisation initiatives (including renewables)
- Supply chain emissions reduction
- Net zero roadmap development

A leadership position on climate and environment-related issues is integral to the Group's value proposition and key to our operational performance.

Climate leadership enables us to provide a low-carbon service offering for customers, while managing our costs and exposure to risks. Commercial and operational climate-related KPIs are included in our 'HEAT' transformation programme.

Energy and GHG emissions performance

Bodycote set a target in 2022 to reduce Scope 1 and 2 GHG emissions by 28% by 2030, compared with 2019 (market-based). This target was validated by the Science Based Targets initiative (SBTi). At the end of 2024, the Group's emissions were 28.7% below 2019 levels, meeting the target six years early.

Bodycote has upgraded its ambition level and submitted a new target to SBTi for validation, aiming for a 46% reduction by 2030, in line with a 1.5°C trajectory.

The Group's absolute Scope 1 and 2 emissions reduced by 8.3% year-on-year (location-based). This was mainly driven by lower gas consumption compared with the prior year (12.3% lower). Bodycote emitted 343 tonnes CO₂e per £m revenue, compared with 377 tonnes in 2023, a reduction of 9.2%. Energy consumption (kWh) reduced by 8.4% in 2024, with energy intensity (kWh/£m revenue) reducing by 9.3% year-on-year.

1 Statutory carbon reporting disclosures required by the Companies Act 2006. The boundary for reported data has changed materially once in the last five years, following the Group's acquisition of Ellison Surface Technologies in 2020.

2 The Group's emissions calculation methodology is provided in the document published on our website at the following address: www.bodycote.com.

Total CO₂ emissions (ktCO₂e)^{1,2}

	2024	2023	% change in 2024	2019
Scope 1 CO ₂ e emissions	118.0	134.3	-12.2%	170.2
Scope 2 CO ₂ e emissions (location-based)	125.3	131.0	-4.3%	186.4
Scope 2 CO ₂ e emissions (market-based)	145.1	145.5	-0.3%	198.7
Total Scope 1 + Scope 2 (location-based)	243.3	265.3	-8.3%	356.6
Total Scope 1 + Scope 2 (market-based)	263.1	279.8	-6.0%	368.9

Emissions reduction programme

Energy efficiency is Bodycote's top environmental priority. Efficient use of energy drives down costs and our impact on the climate, while also supporting a competitive advantage.

We are delivering a multi-year programme of energy efficiency measures and climate-related investments, including:

- Increasing furnace capacity by up to 50% using proprietary equipment (without increasing energy consumption)
- Optimising heat treatment cycles to extract the most value from energy and process gas use
- Improving furnace insulation to reduce heat loss and waste
- Identifying and fixing air and process gas leaks to minimise energy waste
- Deploying low-energy LED lighting in facilities
- Upgrading or substituting process gas generators to increase efficiency and limit waste
- Upgrading or substituting vacuum furnace pumps with newer, more efficient models
- Investing in buildings' heating and cooling systems to reduce energy consumption

Sustainability report

Responsible business continued

The Group also embeds climate-related considerations within relevant business processes. For example, capital investment decisions include sustainability reviews to ensure alignment with our SBTi commitment.

In 2024, Bodycote introduced a new KPI to track the proportion of renewable energy used across the Group. In 2024, approximately 27% of electricity came from renewable sources. In 2025, we plan to develop a Groupwide renewable energy strategy to support furnace electrification and contribute to our decarbonisation targets. This will include a mix of solutions such as green electricity tariffs, renewable power purchase agreements and on-site renewable energy installations, aligned to our evolving energy needs and a range of regional energy markets.

We are making progress on developing our own energy generation assets. We have recently installed 0.9MWe of solar panels at our Wuxi, China site. See the adjacent case study.

Emissions intensity (tCO₂e/£m)

	2024		2023	
	£m sales at actual exchange rate	normalised to constant currency rate	£m sales at actual exchange rate	normalised to constant currency rate
Scope 1	163.5	166.1	182.6	190.9
Scope 2 (location-based)	173.7	176.4	178.1	186.2
Scope 1 + 2 total	337.2	342.5	360.7	377.1

Energy consumption (kWh)¹

		2024	2023	% change in 2024
Scope 1	Natural gas	530,492,950	604,863,999	-12.3%
	Other (LPG, fuel oils, diesel, petrol)	28,109,945	31,423,405	-10.5%
Scope 2	Electricity	465,139,675	481,538,420	-3.4%
Total energy consumption (kWh)		1,023,742,570	1,117,825,824	-8.4%

¹ Energy consumption data for prior years has been restated to reflect consumption as actual data has become available.

SOLAR ENERGY, WUXI, CHINA

At our heat treatment site in Wuxi, China, we are utilising our plant roof and surrounding car park to maximise our installation of on-site solar panels. Working with a local solar manufacturer, we are installing a large 900kWp solar system providing our 24/7 operations with 0.94GWh of renewable electricity in its first year, avoiding 556 tonnes CO₂e/year. In addition to powering our plant, we have added a 60kW rapid charger to support our customers' electric vehicles when they visit our site. Charging will also be available for staff, to support their transition to lower impact personal transport.

On-site renewables are a key element in Bodycote's clean energy sourcing, as set out in our recently announced HEAT operational performance framework.

ADIABATIC COOLING IN DERBY, UK

At our site in Derby, UK, we replaced the existing evaporative cooling towers with a new closed circuit adiabatic cooling system. This upgrade provides energy and maintenance savings, and a dramatic reduction in water use. As a closed system, it also prevents contamination of the cooling system with outside debris and therefore avoids the need for ongoing chemical dosing and cleaning, as well as preventing fouling of the furnaces' cooling jackets. This upgraded cooling installation will deliver electricity consumption savings (as well as peak electrical load and associated carbon emissions) of 73% as well as a reduction in water use of over 85%. Total system electrical load is also reduced by over 140kW, supporting the local electricity network's peak loads. We continue to roll these cooling system upgrades out in all suitable Bodycote locations.

Scope 3 emissions

Although the Group's Scope 3 emissions remain below SBTi's 'materiality threshold' of 40% of total emissions, Bodycote has introduced full Scope 3 reporting and emissions reduction goals aligned to the SBTi methodology. All relevant Scope 3 categories for Bodycote are disclosed in the table below. 2023 emissions have been externally assured, with assurance of 2024 emissions well underway (see www.bodycote.com). We consider Scope 3 an important area of focus in accelerating the decarbonisation of our full value chain. We have set the following goals:

- To reduce absolute Scope 3 GHG emissions from fuel and energy-related activities by at least 45% by 2030 vs 2019.
- For 30% of suppliers (by emissions) of purchased goods and services to have science-based or other carbon reduction targets by 2030.

We will begin reporting against these goals in next year's report.

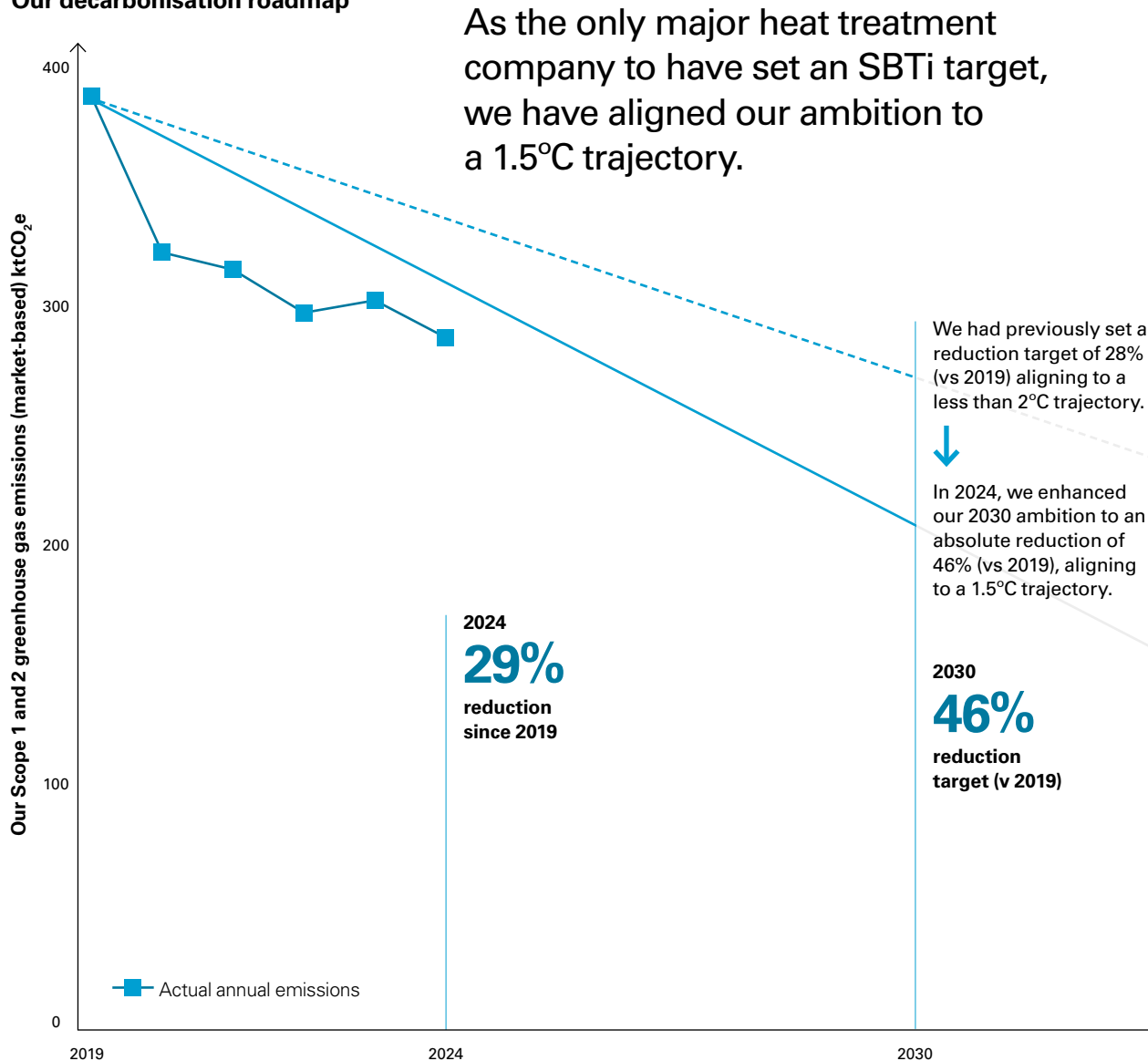
Scope 3 categories

	2024 tCO ₂ e	2023 tCO ₂ e
Category 1: Purchased goods and services	73,760	79,588
Category 2: Capital goods	14,690	12,701
Category 3: Fuel and energy related activities	56,800	61,436
Category 4: Upstream transport and distribution	2,261	2,161
Category 5: Waste generated in operations	1,512	1,666
Category 6: Business travel	5,205	5,140
Category 7: Employee commuting	8,808	9,720
Category 8: Leased assets	2,520	2,386
Category 9: Downstream transport and distribution	2,261	2,161
Category 10: Processing of sold products	988	513
Category 12: End of life treatment of sold products	369	508
Total	169,174	177,980

Sustainability report

Responsible business continued

Our decarbonisation roadmap



EFFICIENCY

Energy intensity
in 2024
(MWh/£m rev.)

27%
lower than 2019



Furnace management
and utilisation



Adiabatic cooling systems



Building energy
management systems

ELECTRIFICATION

Electricity
as proportion
of total energy
in 2024

45%
v 42% in 2019



Electrification of gas furnaces



On site renewable energy
generation



Renewable energy procurement

EVOLUTION

Specialist
Technologies

~30%
of revenue
in 2024
v ~20% in 2019



Transitioning to lower impact
furnace technologies (such as LPC)



Switching to alternative
process gases



Development of
additive manufacturing

Sustainability report

Responsible business continued

Long-term emissions strategy

Bodycote supports the aims of the Paris Agreement and recognises the importance of aligning with global net zero goals. We have initially focused on driving near-term emissions reductions through our SBTi targets, and now also through our Scope 3 goals. In addition, we have committed to evaluating a net zero roadmap for the Group during 2025. See the TCFD report for more information about our climate strategy.

Environmental management

Bodycote's Environmental Policy applies to all sites worldwide and sets the Group's standards for environmental management. In line with our policy, Bodycote commits to comprehensive public disclosure about our performance.

Our environmental management system is aligned to the international ISO 14001 standard. As at the end of 2024, 98% of the Group's operating facilities had achieved or maintained ISO 14001 certification, covering 93% of the Group's employees. The Group complies with legislative requirements and holds all necessary environmental licences and permits in each country of operation.

Bodycote's approach to energy management is aligned to the ISO 50001 Energy Management Systems Standard. We hold ISO 50001 certification in several countries, covering 19% of operating facilities. This enables us to drive a consistent energy management approach and meet the Energy Efficiency Directive 2012/27/E.U. requirements. Our UK operations are compliant with the directive through the Energy Savings Opportunity Scheme.

We added to our suite of environmental policies in 2024 with the introduction of an 'Environmental Re-baseline, Restatement and Reporting Policy'. We are also developing a new Renewable Energy Policy for energy procurement and installation.

Bodycote's UK footprint

In accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, emissions and energy consumption relating to the Group's UK business operations are disclosed separately in the above table. UK emissions reduced by 8.1% in 2024, while energy consumption reduced by 5.0%.

Bodycote's UK sites (facilities and offices)¹

	2024		2023	
	Emissions (tonnes CO ₂ e)	Energy consumption (kWh)	Emissions (tonnes CO ₂ e)	Energy consumption (kWh)
Scope 1	4,211.7	20,021,309	4,250.0	19,988,786
Scope 2	6,835.9	34,741,963	7,768.0	37,651,991
Scope 3	9.0	37,462	13.2	54,627
Total	11,056.6	54,800,734	12,031.2	57,695,404

¹ Electricity and fuel consumption information is collected from each facility on a monthly basis. Scope 3 includes business road travel in vehicles not owned by the Company. Scope 3 is calculated from mileage and vehicle type. The DEFRA conversion factors are then applied to calculate the total tonnage of CO₂e produced.

Water use

Although the Group's processes are not water-intensive, we recognise that water is a scarce resource and work to safeguard it where possible, re-using and recycling water extensively within our operations. Unfortunately, water use was impacted by significant water leaks at our plants in Wuxi, China and Morristown, USA, resulting in around 34,000m³ of water losses in 2024. The Group withdrew around 842,516m³ of water, 3.0% more than in 2023. Water intensity (water withdrawal m³/£m sales) increased by 1.9% compared with 2023. Excluding these exceptional events, the Group's water consumption in 2024 was 808,001m³, a reduction of 1.3% compared to 2023.

While most of the water withdrawn is subsequently discharged, some is lost through evaporation. We are tackling this through the rollout of closed-loop adiabatic cooling systems for furnaces to replace water supply from cooling towers, where water is lost through evaporation. We have now installed eight adiabatic systems in the past two years. See one example on page 60.

All water is supplied by municipal suppliers. When water is discharged by the Group, it is controlled using interception tanks. These check water for contaminants and ensure it is acceptable for discharge. Audits confirm that the Group's control methods are in line with ISO 14001:2015 and comply with legal obligations.

Water use

	2024	2023	% change in 2024
Total water withdrawn (m ³)	842,516	818,367	3.0%
Intensity (thousand m ³ /£m)	1.19	1.16	1.9%

Waste management

Bodycote seeks to minimise waste. The Group typically re-uses packaging or containers that customer parts arrive in when returning them. This avoids unnecessary waste and provides efficiency for customers. Any waste that is produced is segregated into appropriate streams and disposed of according to local legislation. Chemicals and hazardous waste are stored separately and handled as required. All hazardous waste is disposed of with care by licenced contractors in accordance with environmental legislation.

This year, Bodycote has introduced waste reporting. 11,626 tonnes of waste was generated in 2024, of which 3,677 tonnes were classified as hazardous waste. Consolidation of this data represents an important step in monitoring and managing our wider environmental impact, and identify opportunities for improved resource efficiency.

Waste generation (tonnes)

	2024
Total waste generation	11,626
Of which:	
Hazardous waste	3,677
Non-hazardous waste	7,949

NEXT STEPS

- Accelerate our progress towards meeting our new 1.5 degree aligned 2030 target and continue the development of our longer-term roadmap to net zero for the Group.
- Develop our electrification and renewables strategy to decarbonise our heat treatment processes.
- Augment supplier engagement to support delivery of our new supply chain emissions reduction goals.

Sustainability report

Responsible business continued



ENGAGED TEAM

OUR COMMITMENT

We want to empower our expert team by giving them the tools, rewards, environment and resources they need to succeed.

OUR 2030 GOAL

We want to be recognised as one of the best companies to work for and commit to setting an employee engagement performance target in 2025.

OUR PRIORITIES

- Values, culture, and purpose
- Employee engagement
- Skills and career development
- Talent attraction and retention

At Bodycote, we understand that it is our people that make us a world leader. Our technical expertise and commitment to being a trusted partner to our customers are ingrained in our culture.

To sustain this, we need to attract, develop, and retain the best people, creating a supportive, collaborative environment where difference is valued and celebrated. We aim to be a fair employer, creating opportunities for all colleagues to thrive. We work hard to foster an inclusive, open culture where colleagues can be themselves and their voices are heard.

Driving performance excellence

Bodycote's new Performance Excellence Management Framework, 'HEAT', launched in December 2024, consists of four strategic levers to take the best of Bodycote anywhere, and embed it everywhere. Under 'H' of the framework, we are focused on developing a 'High performance culture', using three levers to create a winning team:

- Right people with the right skills and attitude
- Clear expectations through the organisation
- Breaking down barriers and encouraging collaboration

During 2024, we developed a new set of values that reinforce our ambition to establish a high-performance culture Groupwide. Our new values reflect both expected behaviours and our drive for performance excellence, and will be rolled-out across the organisation in the first half of 2025. As we work to develop programmes to execute our strategy, we are focused on advancing and measuring cultural progress in three key areas: employee engagement, employee retention and talent development. Our new values are detailed on page 06.

Employee engagement

Bodycote follows a formal internal communications programme to keep colleagues informed on important topics. This year, we have expanded the programme to include regular CEO townhalls. We use several channels for communication, such as a bi-monthly newsletter and weekly intranet updates. We also share important updates via email across the Group.

Each year, the Group conducts employee engagement groups, hosted by a Non-Executive Director for workforce engagement. In 2024, two regional forums were held, with around 30 employee representatives. Feedback from these forums was reported to the Board, with Executive Directors assigned responsibility for addressing key issues that arose. See page 38 for further information.

In 2025, we will conduct an all employee engagement survey using an externally benchmarked framework that will enable us to measure ourselves against the highest performing companies in our sector. Our aim is to be recognised as one of the best companies to work for and, based on the baseline survey in 2025, we will set a clear performance target and action plan to 2030.



Sustainability report

Responsible business continued



PRIORITISING FACE-TO-FACE EMPLOYEE ENGAGEMENT

A strong commitment to employee engagement is a hallmark of Bodycote's new leadership. Since joining the business in March 2024, Chief Executive Officer Jim Fairbairn has visited almost 50 facilities around the world, engaging with hundreds of colleagues, enabling open, two-way communication about our business, operations and opportunities for the future.

A new virtual town hall programme has been introduced, where our Chief Executive Officer, management team, and external subject matter experts share information on strategic initiatives, the Group's performance, and key programmes, as well as best practices and case studies for continuous improvement. In 2024, the programme covered topics including safety, operational excellence, our new values and financial results, among others. These sessions ensure colleagues are informed on key developments, enabling them to champion our change agenda, drive higher employee engagement, and support the successful execution of our strategy.

Developing our people

We are committed to providing the skills and training needed for employees to operate safely and effectively. Bodycote invests in training and development at both local and Group levels. Training is delivered through online modules, workshops, and hands-on sessions. The Group also encourages cross-functional and cross-divisional sharing to support peer learning.

Colleagues joining office-based Group functions and plant-based managerial roles typically complete around five hours of induction training, covering core mandatory compliance topics. During the year, other colleagues complete refresher training on mandatory topics such as compliance, security, and cyber-awareness. Training completion rates for in-scope employees are reported to the Executive Committee, with appropriate escalation for any training not completed on time.

In 2024, we began rolling out a global learning management platform to support training and development opportunities for employees. The rollout will be completed in 2025, enabling broader access to skills development in all of Bodycote's global languages.

Bodycote recognises the importance of work-life balance as part of our normal working practices. Our global Remote Working Policy enables eligible office-based employees to work from the office three days a week and from home for the remainder.

Employment practices

Bodycote believes all colleagues should be rewarded fairly for contributing to our success. We review wage levels and employment practices against local standards and conduct a calibrated annual pay review process. We are committed to complying with all applicable local and national minimum wage regulations. The Group's pension arrangements are based on relevant local laws and practices.

The vast majority of our people are employed on permanent or fixed-term contracts. We typically employ temporary workers to supplement our workforce during busy periods, when flexible resources are needed to fill vacancies, or to support special projects. In 2024, 4% of our workforce were part-time employees.

We provide a range of benefits to our employees which meet the minimum required in all territories that we operate in, and in some areas exceed these standards. These include paid holiday and life insurance. We also offer tuition reimbursement schemes for colleagues participating in professional development courses.

Freedom of association

Bodycote upholds employees' freedom of association and recognises their right to collective bargaining. We are committed to open and constructive engagement with our employees and their representatives. Approximately 35% of the Group's employees are represented by unions and works councils. We have collective agreements in place in 11 of the countries in which we operate. They cover topics such as compensation, holiday entitlement, working hours, paid and unpaid absence, grievances, and local workplace changes.

Community engagement

As part of our wider approach to responsible business, Bodycote seeks to play a positive role in the local communities in which it operates. The Group provides high-quality employment and seeks to build goodwill and a reputation as a good neighbour and employer. Our operations are international, but our strength lies in the local nature of our facilities that are close to our customers. Our facilities are relatively small plants that typically employ approximately 30 people. We encourage community involvement activities championed by our plants and their employees locally. Highlights from 2024 include our Czech colleagues raising 9,200 CZK for relief following devastating floods in the region, which was donated to 'People in Need'. Colleagues in many of our US plants supported local causes with food and toy donations, supporting children, schools, and people in need; and our sites in France partnered with disability-inclusive enterprises that support tasks like cleaning, preparation, and packaging of parts. We also sourced office supplies from them to support their work.

NEXT STEPS

- Introduce a Groupwide employee survey to baseline employee engagement and inform next steps in our roadmap towards a high-performance culture.

Sustainability report

Responsible business continued



DIVERSE WORKPLACE

OUR COMMITMENT

We are committed to creating a diverse and dynamic workplace in which everybody can thrive.

OUR 2030 GOAL

We will continue to increase diversity among our Board and senior management teams and work to become a leader in our industry.

OUR PRIORITIES

- Diversity in the workplace
- Gender and ethnicity representation
- Fair global working and recruitment practices

Bodycote recognises the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture.

We understand that not everyone is starting from the same place, has the same challenges, or requires the same level of support, and so our approach is to make sure everyone has the support they need to be successful. This is particularly pronounced as we develop our recruitment and working practices, which are designed to ensure we can continue to attract and retain a diverse workforce.

Our overarching Equality, Diversity and Inclusion Policy, and our recruitment practices, outline our stance on maintaining equal opportunities and giving full, fair, and impartial consideration to all employment applicants. Our employment policies are designed to maintain equal opportunity irrespective of age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual orientation, political or philosophical opinions or trade union membership as well as military and veteran status in North America. We embrace a culture of acceptance and inclusion, accommodating part-time, agile, and flexible working requests where appropriate, and take a zero-tolerance position on harassment of any kind. As part of our commitment to continuous improvement, in 2024 we introduced a new, online anti-sexual harassment training course. To date, this has been issued to UK employees with a PC, 100% of whom have completed it.

We also introduced a Board Diversity & Inclusion Policy in 2024. This sets out the Board's commitment to ensuring its membership reflects the diversity of the business, recognising that a diverse range of views, perspectives and backgrounds will improve its decision-making and ability to drive value for all stakeholders.

It also outlines the Board's commitment to supporting management in its efforts to increase the proportion of senior leadership roles held by women, those from non-white minority ethnic backgrounds, and other under-represented groups, to set the tone from the top.

Gender diversity

At 31 December 2024, female representation on the Board was 37.5%, level with 2023, and 33.3% of the Group's executive management were female. Among the Group's population of senior managers (including Executive Committee), 11.8% are female, and across all employees, the proportion is 21.8%. We have taken steps to re-baseline our data this year to more consistently define the boundary based on seniority of roles. As a result, the proportion of roles held by women has reduced compared with figures previously reported. Our 2024 data provides an accurate baseline against which we will measure our performance and progress in improving gender diversity in our organisation.

The Group's 2023/24 Gender Pay Gap report showed that the UK mean gender pay gap is 6.9% in favour of women, while the median gender pay gap is also in favour of women (6.5%). This compares to a UK national median gender pay gap of 13.1% in favour of men. Our full Gender Pay Gap report is published on our website at www.bodycote.com.

	December 2024	
	Male	Female
Group Board	5 (62.5%)	3 (37.5%)
Executive Committee	8 (66.7%)	4 (33.3%)
Senior managers (including Executive Committee)	67 (88.2%)	9 (11.8%)
All employees	3,426 (78.2%)	953 (21.8%)

Sustainability report

Responsible business continued

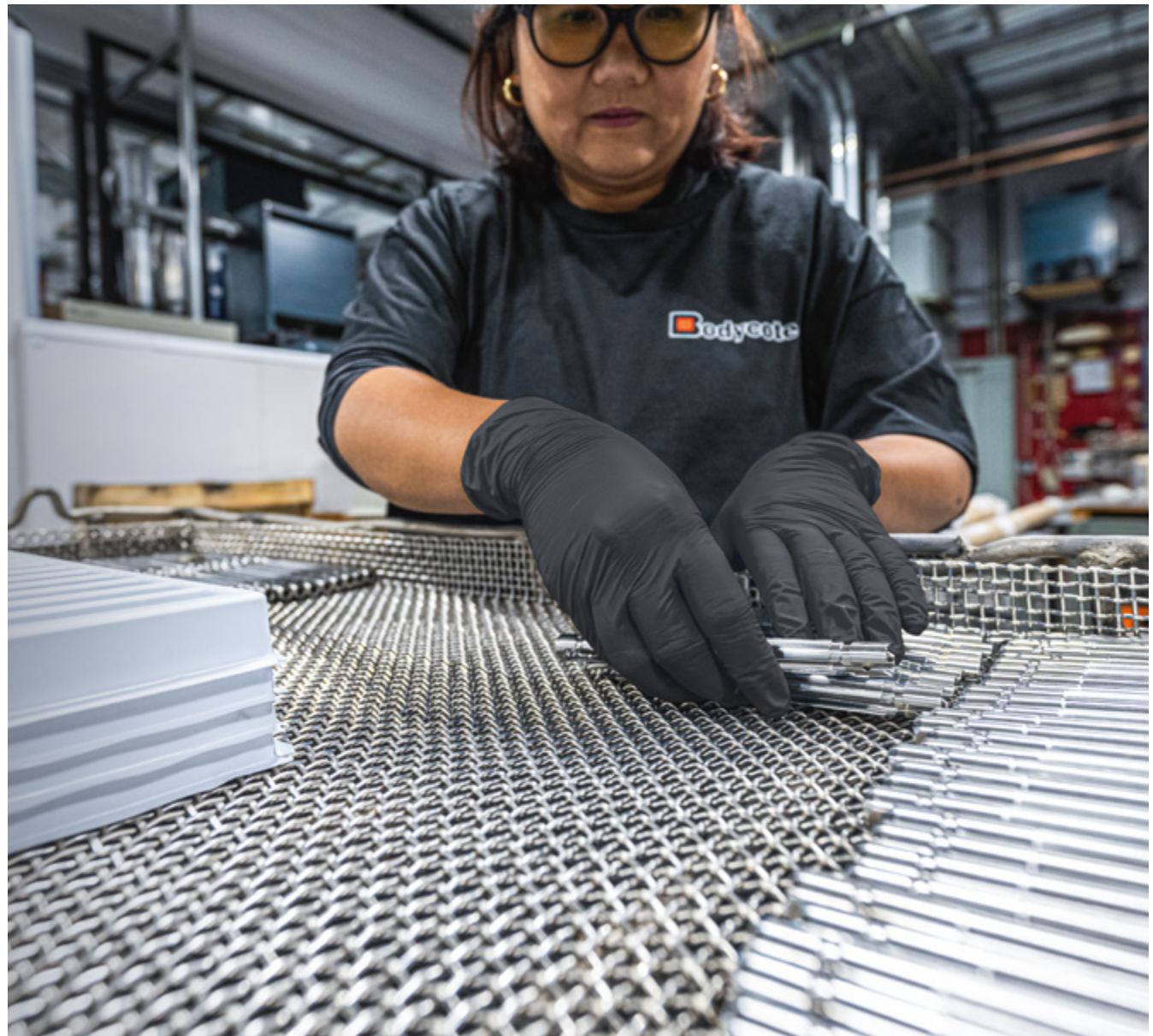
Ethnic diversity

Bodycote meets the Parker Review target for all FTSE 250 boards to have at least one member from an ethnic minority, with two members who meet the ONS classification of Asian/British Asian and mixed/multiple ethnic groups, respectively.

There is broad international representation on the Executive Committee, with five different nationalities represented, as well as one member from an ethnically diverse background. Further information in accordance with LR6.6.6 (9) and (10) is provided on page 86.

NEXT STEPS

- Improve alignment to the FTSE Women Leaders Review recommendations by ensuring one of four key leadership roles (Chair, Senior Independent Director, CEO and Finance Director) is held by a woman.
- Refresh our approach to diversity, equity, and inclusion to strengthen our policies, actions, and targets to encourage and support diversity in the workplace and harness its value creation potential.



Sustainability report

Ethics & governance

We operate with high standards of ethics and compliance and expect our partners to do the same.

The Group strives to meet a high standard of ethical and responsible behaviour in the way we conduct business. We have a robust governance structure to support business ethics, and a comprehensive set of policies that detail our commitments and standards. The Group's Board and Executive Committee review training completion rates and reports to the Open Door Line whistleblowing service (number received, contents of reports) to monitor adherence to our policies.

Our Code of Conduct sets out the Group's policy on compliance with legislation relating to anti-slavery, human trafficking, and child labour; trade sanctions; employment standards; and the promotion of health, safety, and environmental protection. The Code is supported by detailed, subject-specific policies. The Code and relevant policies are published on our website at www.bodycote.com/investors/governance/our-policies/

Bodycote prohibits forced, compulsory and underage labour and any form of discrimination based on age, race, gender, ethnic origin, nationality, religion, health, disability, marital status, sexual orientation, gender reassignment, pregnancy, and maternity or paternity, political or philosophical opinions or trade union membership. Appropriate mechanisms are in place to minimise potential contravention of our policy.

We require employees to undertake training in our key policies to reinforce our expectations and mitigate our exposure to risks. This training is refreshed every three years. In 2024 we reissued our full ethics and compliance training suite to all members of our leadership and management population and other relevant employees based on role, comprising c.1,000 colleagues.

We plan to update our Group policies in 2025 to reflect our new corporate values. The rollout of our new Code will be supported by an internal communications campaign to help familiarise colleagues with our refreshed values and expected behaviours.

Respect for human rights

Bodycote upholds and respects universal human rights. The Group's Human Rights Policy is aligned with the Ten Principles of the UN Global Compact, incorporating the United Nations Universal Declaration of Human Rights and the International Labour Organization Fundamental Conventions. Our policy reaffirms the Group's commitment to freedom of association, the abolition of forced or compulsory labour; the elimination of child labour; the elimination of discrimination; and a safe and healthy working environment. The Group's Anti-Slavery and Human Trafficking Statement is published on our website and reviewed by the Board of Directors annually.

Colleagues working in senior management, human resources and purchasing roles are required to complete dedicated Modern Slavery Act training, and participate in refresher training, at least every three years. Training was re-issued to all relevant colleagues in these functions during 2024, with 99.8% of those required to complete the training having done so.

Anti-bribery and corruption

The Group provides interactive online training courses on Bribery Prevention, Data Protection, Failure to Prevent Tax Evasion, the Group Authority Matrix, and Competition Law. Certain employees, determined by grade or by role, are required to undertake this training. The completion rate for training issued during 2024 was 99% among relevant employees. Our Codes and related training outline acceptable limits for gifts and hospitality and make it clear that employees should never offer, pay, or solicit bribes in any form. Furthermore, the Group has a policy of not making political donations.

Responsible supplier management

As a world-leading provider of heat treatment and thermal processing services, we recognise our responsibility to contribute to improved standards of environmental protection and sustainable business practices throughout our global supply chain.

Our Groupwide Supplier Code of Conduct sets out the minimum sustainability, environmental and social standards the Group expects its suppliers to adhere to, including those relating to the protection and promotion of human rights. We expect suppliers to communicate Bodycote's values and expectations to their employees, as well as their own suppliers. This policy is

supplemented by our Sustainable Procurement Policy, which provides guiding principles on social, ethical, and environmental issues for employees involved in procurement.

Suppliers are screened using Denied Party Screening databases prior to any transaction. This covers global databases for government watch lists, sanctions, and restricted parties. We are committed to supporting global efforts to eliminate the use of conflict minerals and ensuring that our procurement practices do not fuel or exacerbate conflict. In turn, suppliers are managed with respect, honesty and integrity, irrespective of the size of the transaction. We agree fair contracts and aim to pay suppliers promptly in line with agreed terms.

Encouraging colleagues to speak up

The Group's open and transparent culture encourages colleagues to speak up whenever they have a concern, without fear of retaliation. We offer a range of channels for colleagues to report suspected wrongdoing, including an independent, third-party operated whistleblowing helpline and email. Our 'Open Door Line' is open to anyone who wants to report a concern confidentially. We promote the Open Door Line via posters in plants and offices, on our intranet homepage and on the Group's website. The Board and Executive Committee receive reports about any issues raised via the Open Door Line. All reports made in 2024 were investigated and appropriately resolved.

NEXT STEPS

- Refresh the Group's Code of Conduct and other Group policies to reflect our new corporate values and align them with current best practice standards.
- Augment our ethics and conduct training offering on our new Groupwide learning management platform, which is being rolled out during 2025.

Sustainability report

Non-financial and sustainability information statement

In accordance with the Non-Financial Reporting Directive, the table below sets out key policies and standards that govern our approach and due diligence in relation to environmental, employee, social, human rights, anti-corruption and anti-bribery matters, along with references to additional information included elsewhere in this report. Further information to support our disclosure can also be found on the following pages:

→ The required information about the business model can be found on page 18.

→ Information about non-financial Key Performance Indicators that are aligned to our business strategy can be found on page 19.

→ Our climate-related financial disclosures can be found on pages 48 to 56.

→ Our principal risks are summarised on pages 28 to 33.

Our Group policies can be found on our website: www.bodycote.com/investors/governance/our-policies/.

Compliance with our policies is monitored by our Board, Executive Committee, through our Internal Audit function and, locally, by our General Managers.

In line with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022, we have disclosed fully against these requirements, which can be found in our TCFD report on pages 48 to 56.

Bodycote recognises the role we can play in advancing the United Nation Sustainable Development Goals (SDGs) by integrating sustainable practices into our operations and influencing positive change in society.

In line with our strategy, we have identified five key SDGs where we contribute to these crucial global goals:



Reporting requirement	Group policies that guide our approach	Information about actions, metrics and targets and risk management with page references
Environmental matters	– Environmental Policy – Environmental Re-baseline, Restatement and Reporting Policy – Supplier Code of Conduct – Sustainable Procurement Policy	→ Company purpose and values, page 06 → Sustainability report, pages 40 to 67 → Principal risks and uncertainties, pages 28 to 33 → TCFD disclosures, pages 48 to 56 → Our business model, page 18 → Section 172 statement, pages 35 to 36
Employees	– Occupational Health & Safety Policy – Equality, Diversity and Inclusion Policy – Corporate values – Code of Conduct – Human Rights Policy – Open Door Policy – Sexual Harassment Policy	→ Company purpose and values, page 06 → Sustainability report, pages 40 to 67 → Employee engagement, page 78 → Principal risks and uncertainties, pages 28 to 33 → Our business model, page 18 → Section 172 statement, pages 35 to 36
Social matters	– Code of Conduct – Human Rights Policy – Supplier Code of Conduct – Board Diversity and Inclusion Policy – Data Protection Policy	→ Company purpose and values, page 06 → Sustainability report, pages 40 to 67 → Our business model, page 18 → Section 172 statement, pages 35 to 36
Respect for human rights	– Human Rights Policy – Anti-Slavery and Human Trafficking Policy – Supplier Code of Conduct – Sustainable Procurement Policy – Conflict Minerals Procedure	→ Company purpose and values, page 06 → Sustainability report, pages 40 to 67 → Section 172 statement, pages 35 to 36 → Principal risks and uncertainties, pages 28 to 33
Anti-corruption and anti-bribery matters	– Supplier Code of Conduct – Anti-Tax Evasion Policy – Anti-Bribery and Corruption Policy – Competition and Anti-Trust Policy – Data Protection Policy – Anti Money Laundering Policy – Open Door Policy	→ Sustainability report, pages 40 to 67 → Principal risks and uncertainties, pages 28 to 33 → Report of the Audit Committee, page 87