

MODERN SLAVERY ACT



TRANSPARENCY STATEMENT.

Introduction

Bodycote plc is committed to preventing modern slavery taking place in any part of its business and supply chain. Modern slavery is an abhorrent abuse of human rights encompassing several forms of exploitation, including forced labour, child labour and human trafficking. It is now estimated that 50 million people worldwide are living in modern slavery. Bodycote is committed to taking action to tackle modern slavery and leveraging its influence through its supply chains to prevent vulnerable individuals and workers from exploitation and abuse.

This statement is made pursuant to section 54 of the UK Modern Slavery Act 2015, which requires businesses to disclose the steps they are taking to tackle slavery, servitude and forced or compulsory labour and human trafficking (together known as modern slavery). It covers the six areas outlined in the UK Government's guidance:

- Organisational structure and supply chains
- Policies in relation to slavery and human trafficking
- Risk assessment and management
- Due diligence processes
- Key performance indicators to measure the effectiveness of steps being taken
- Training on modern slavery and trafficking

This statement is for the year ending 31 December 2024 and sets out the steps taken by Bodycote plc and its subsidiary undertakings to prevent modern slavery in its business and supply chain.

We are committed to continuously reviewing and improving our practices to make sure we meet our obligations under the Modern Slavery Act and maintain high ethical standards.

This statement was approved by Jim Fairbairn on 2 June 2025.

Jim Fairbairn
Chief Executive Officer
Bodycote plc

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Organisational structure and supply chains

Our business

Bodycote is a leading global performance metallurgy business, improving and extending the lives of customers' products through advanced thermal and surface processing. The Group's network operates over 150 facilities across 22 countries globally, offering thermal processing solutions for virtually every market sector.

Bodycote employs over 4,000 employees in North America, western Europe, and emerging markets (eastern Europe, Turkey and China). All employees are required and expected to comply with our Code of Conduct, and related policies such as our Human Rights Policy and Anti-Slavery and Human Trafficking Policy. This is further reinforced through training for employees to ensure they understand what is expected of them and what to do in the event they suspect any wrongdoing.

Our supply chain

Bodycote maintains a broad and diverse supply chain across 42 countries, with around 17,000 suppliers having transacted with us in the past 12 months. The majority of our spend relates to capital expenditures (thermal processing equipment), utilities (electricity and natural gas), industrial gases, temporary staff, repair and maintenance services, land and building leases, and transportation. The vast majority of our suppliers — over 90% — are based in the United States and Europe.

As detailed in our Supplier Code of Conduct, Bodycote and its subsidiaries are expected to undertake all reasonable and practicable steps to ensure that our ethical standards are being implemented throughout the businesses of our suppliers and that local legislation and regulations are complied with. This includes seeking to eliminate all forms of modern slavery and human trafficking (see 'Due diligence processes' for more information).

Policies in relation to slavery and human trafficking

Our policy framework outlines the modern slavery and human rights rules and standards within our business and expectations for our suppliers and partners. These policies are reviewed annually and updated where necessary. Collectively, they help us implement our commitment to human rights and include:

- **Code of Conduct:** 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 of Conduct is supported by detailed, subject-specific policies, some of which are detailed below.
- **Human Rights Policy:** 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

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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.

- **Anti-Slavery and Human Trafficking Policy:** This policy outlines our zero-tolerance approach to modern slavery and human trafficking in line with the Modern Slavery Act 2015. The policy is applicable for all our employees, and we expect our contractors, suppliers and other business partners to follow its principles. It is available on our website and supports this annual Modern Slavery Act Transparency Statement.
- **Supplier Code of Conduct:** We expect our suppliers to adhere to our Supplier Code of Conduct, which includes requirements to comply with modern slavery laws and treat workers fairly. We also expect suppliers to communicate Bodycote's values and expectations to their employees, as well as their own suppliers.
- **Conflict Minerals Procedure:** We will never knowingly obtain or procure any form/s of conflict mineral, and our goal is to ensure that any risks are managed through effective due diligence which includes prudent supplier procedures and assessments, management and monitoring.
- **Open Door Policy:** An important aspect of accountability and transparency is a mechanism to enable employees, other members of the Company and third parties to voice concerns in a responsible and effective manner. As part of this ethos, employees and external parties are encouraged to report any concerns related to modern slavery or unethical practices and are signposted to a number of routes to do so (including a route allowing anonymity).

These policies align to the principles outlined in the ILO Forced Labour Convention (No. 29) and the Abolition of Forced Labour Convention (No. 105), to prevent forced, bonded, or compulsory labour being used in the production of goods or services in our supply chains as well as our own operations. Our policies aim to protect workers' fundamental human rights as follows:

- Freedom to terminate employment
- Freedom of movement
- Freedom of association
- Prohibition of any threat of violence, harassment and intimidation
- Prohibition of use of worker-paid recruitment fees
- Prohibition of compulsory overtime
- Prohibition of child labour
- Prohibition of discrimination
- Prohibition of the confiscation of workers' identification documents
- Provision of access to remedy, compensation and justice for victims

The Group's policies are published at www.bodycote.com/investors/governance/our-policies

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Risk assessment and management

We take a risk-based approach to identifying and managing modern slavery risks in our operations and supply chains. This includes assessing the potential for modern slavery within our supply chains; identifying and developing actions to manage higher-risk suppliers and locations of operation; and providing training to relevant employees to identify potential risks of modern slavery.

Our risk assessments are undertaken with reference to external frameworks such as the UK Government's "Transparency in supply chains" guidance and, where appropriate, are supported by specialist third parties. Based on our risk assessments, we believe our exposure to modern slavery risk is low within our own operations but requires mitigation in our wider supply chain.

Risk mitigation measures

Our people

The vast majority of our people are employed on permanent or fixed-term contracts, and we carry out pre-employment checks for all employees joining the company. We review our salaries and benefits on an annual basis to ensure that we offer employees a competitive total remuneration package including attractive and compliant benefits. In addition, the annual pay review process has several levels of calibration built in to ensure that our performance and pay processes are being applied fairly and consistently.

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. We always work with well-known and reputable agencies and require transparency and access to employee contracts, payslips and timesheets. We endeavour to work with agencies that we have built a good relationship with over several years and maintain that relationship through carefully constructed terms and conditions that include a requirement to commit to our Supplier Code of Conduct and work towards the elimination of modern slavery.

Our suppliers

We expect our suppliers to ensure that they meet our ethical standards, including preventing modern slavery. While most of our direct suppliers operate in countries with strong labour regulations, we also operate from regions where there is a higher risk of labour exploitation. To ensure responsible sourcing, we conduct supplier due diligence and require all suppliers to comply with our Supplier Code of Conduct, which explicitly prohibits all forms of modern slavery and forced labour.

Our general terms and conditions in supplier contracts include a requirement that they adhere to our Supplier Code of Conduct.

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Due diligence processes

Bodycote engages with a third-party supplier to provide screening services in respect of its customers and suppliers. Denied party screening is a service that checks for compliance among existing and new customers and suppliers with various international lists which include amongst other matters reports of forced labour and related issues. Any notifications received are assessed and handled appropriately including. If justified, this may include Bodycote ceasing to trade with a supplier or customer and reporting any relevant details of its trade to relevant authorities as well as supporting any such authorities with subsequent investigations and actions.

Annual assessment of risks and controls

Bodycote has established a working group of senior managers to undertake a review of Bodycote's modern slavery procedures at least annually and to regularly consider Bodycote's modern slavery risks.

In the first half of 2025, the working group engaged a third-party provider to facilitate a risk assessment workshop with key stakeholders in the organisation to identify whether there were any unappreciated modern slavery related-risks within our operations and supply chain, to stress test our controls, and to make recommendations to drive the strengthening of our approach to mitigate modern slavery risk.

The risk assessment identified that while Bodycote's policy position, processes and stress testing of modern slavery controls is prudent, there are areas where additional steps can be taken to further mitigate the risk of modern slavery and increase awareness of modern slavery red flags. These include:

- introducing enhanced due diligence checks and monitoring of suppliers in higher risk sectors and geographical locations;
- augmenting internal communications to increase awareness of modern slavery red flags among a wider community of operational staff;
- revisiting the Open Door Line policy and procedure to raise its profile; and,
- increasing our stress testing modern slavery detection and prevention measures.

In the year ahead, we will implement these recommendations, adopting a risk-based approach, to enhance our modern slavery controls and uphold our role as a responsible corporate citizen.

Effectiveness and monitoring

We monitor the effectiveness of our efforts to combat modern slavery through:

- Regular reviews of policies and procedures.
- Encouraging feedback from employees and stakeholders.

We employ several key performance indicators to support our monitoring of the effectiveness of our modern slavery risk controls. These include the percentage of employees completing mandatory modern slavery e-learning training, and the number (and content) of Open Door Line reports received.

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Whistleblowing procedures

Bodycote offers a range of channels for workers and external parties to report any concerns and suspected wrongdoing, including an independent, third-party operated whistleblowing helpline and email address. These services are available 24 hours a day, 365 days a year and can be used to raise any concerns on an anonymous basis, if the whistleblower chooses so. Our 'Open Door Line' is open to anyone who wants to report a concern in connection with Bodycote's operations or supply chain. The Open Door Line is promoted via posters in plants and offices, on our intranet homepage, on the Group's website and in our Code of Conduct and Supplier Code of Conduct. In addition to our Open Door Line, colleagues also have access to the grievance mechanism to raise any concerns. This is managed by our HR function.

All reports that come through the channels above are investigated thoroughly and feedback is provided where requested. Both the Board and Executive Committee review modern slavery training completion rates and reports to the Open Door Line whistleblowing service (the number of reports, and the nature of reports). All reports made via the Open Door Line in 2024 were investigated and appropriately resolved. None of the reports made in 2024 related to modern slavery concerns.

Training on modern slavery and trafficking

We adopt a risk-based approach to ensuring that relevant colleagues across our global operations are required to undertake a mandatory e-learning module on modern slavery within 90 days of starting their role. This is embedded into induction processes for all colleagues joining the business. Following the e-learning module, colleagues must answer questions correctly to pass the module. We currently have 100% pass rate for modern slavery training. Our e-learning focuses on raising awareness of human trafficking and modern slavery issues, empowering our colleagues to identify indications of human trafficking abuse, and providing them with the tools to report it quickly and effectively. The training includes real-world case studies to help illustrate the signs of modern slavery that could be observed in manufacturing operations and supply chains.

Colleagues in Executive and leadership positions and those with day-to-day procurement and human resources responsibilities are required to complete modern slavery refresher training at least every three years. Training was re-issued in 2024 to c. 1,000 colleagues in relevant functions and roles, and we currently have 100% pass rate among those required to complete the training. Regular training helps ensure colleagues in key roles are aware of the risks that modern slavery presents and know how to safely report concerns.