
Environmental Policy

1. Our approach to environmental responsibility

- 1.1 As a global leader in thermal processing, Bodycote is committed to reducing its environmental impact across its operations and value chain. Environmental sustainability is core to our business and central to how we create long-term value for our customers, employees, investors, and society.
- 1.2 Our environmental strategy supports our broader ambition to deliver world-class metallurgy services while contributing to a more sustainable industrial ecosystem. We are committed to leading our sector in decarbonisation and aligning with the global transition to a low-carbon economy.
- 1.3 We support progress towards the United Nations Sustainable Development Goals. Of note for this policy, we place particular emphasis on Goal 9 (Industry, innovation and infrastructure), Goal 12 (Responsible consumption and production), and Goal 13 (Climate action).

2. Our principles and values

- 2.1 Sustainability is one of Bodycote's four core values, alongside safety first, performance and customer experience. It informs decision-making at every level of the organisation.
- 2.2 We are guided by the following principles:
 - Environmental performance is a key measure of industry leadership and business success
 - Environmental protection is a shared responsibility, both individually and collectively
 - All employees play a role in achieving high environmental standards
 - Environmental incidents are preventable through planning, innovation and engagement

These principles guide our culture and behaviours and ensure that environmental responsibility is embedded across our global operations.

3. Governance and accountability

Environmental governance is integrated into our corporate leadership structure to ensure robust oversight and accountability:

- The Board oversees the management of environmental and climate-related matters
- The Chief Executive Officer has overall responsibility for the Group's climate strategy
- The Chief Sustainability Officer, a member of the Executive Committee, is responsible for the implementation of this policy and leading the Group's environmental programmes
- Operational leaders are accountable for site-level performance
- Every employee is expected to actively manage environmental risks in their area of work

This governance model ensures that environmental responsibilities are clearly defined and embedded throughout the organisation.

Our progress is reported publicly in our Annual Report and through voluntary disclosures such as CDP.

4. Strategic focus areas

To deliver our environmental commitments, Bodycote focuses on five strategic pillars:

4.1 Climate and energy

We are aligned with the Science Based Targets initiative (SBTi) and have set a clear pathway to reduce emissions:

- Reduce Scope 1 and 2 greenhouse gas emissions by 46% by 2030, using 2019 as the baseline

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- Promote energy efficiency and electrification across all operations
- Avoid new investments in fossil fuel systems as we advance our electrification strategy
- Transition to 100% renewable electricity over time as part of our long-term decarbonisation roadmap
- Ensure all emissions and energy data is externally assured by a third party to support transparency and credibility

4.2 Sustainable operations

We maintain rigorous operational standards to reduce environmental impact. We are committed to:

- Maintaining ISO 14001 certification across all operational facilities
- Applying the 4R principle – reduce, reuse, recycle, recover – throughout our activities
- Monitoring and managing emissions of greenhouse gases, volatile organic compounds, and heavy metals following best practices
- Preventing pollution at source and prioritising safer alternatives to hazardous substances
- Integrating environmental performance into service design and product development

4.3 Resource efficiency and biodiversity

We aim to conserve natural resources and minimise ecosystem impacts. We are committed to:

- Using energy, water and raw materials responsibly
- Reducing impacts on biodiversity and ecosystem services
- Promoting circular economy principles and sustainable resource use across our operations

4.4 Supply chain and responsible sourcing

We work with suppliers to ensure environmental responsibility is upheld across our value chain. We:

- Require suppliers to align with our Supplier Code of Conduct and environmental strategy
- Encourage reduction of greenhouse gas emissions and increased use of renewable energy
- Promote use of recycled materials and circular business models
- Require compliance with environmental laws and regulations
- Require responsible sourcing of critical materials, avoiding any association with conflict zones or human rights abuses

4.5 Engagement, innovation and capability building

We foster a culture of continuous improvement through open engagement and investment in innovation. We:

- Engage employees, customers, suppliers and partners on environmental risks, opportunities and innovations
- Invest in research and development of more sustainable thermal processing technologies
- Provide training to build environmental awareness, skills and accountability at all levels

Our investments in more sustainable thermal processing technologies enhance customer value by reducing the embedded carbon in their products.

5. Performance management and assurance

Environmental performance is tracked and managed through strong internal systems and independent assurance.

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- Environmental targets are reviewed regularly by senior leadership and incorporated into performance management. 20% of the Group's Long Term Incentive Plan (LTIP) for senior leaders is directly linked to achieving our science-based target for emissions reduction
- Emissions and energy data are subject to independent third-party assurance to maintain integrity and transparency
- Audits and self-assessments assess compliance with this policy and ISO 14001 standards
- All operational facilities have access to qualified Environment, Health and Safety professionals for support and oversight
- Corrective actions are identified, prioritised and monitored to resolution
- Training on environmental responsibilities is provided for employees and contractors

These mechanisms ensure that Bodycote's environmental commitments are not only met but continuously strengthened over time.

6. Scope and application

This policy applies to all Bodycote employees, contractors, subcontractors and stakeholders involved in our operations worldwide. It is publicly available, communicated across all facilities, and reviewed periodically to ensure its continued relevance, effectiveness and ambition.

Policy owner:	Chief Sustainability Officer
Second policy owner:	Chief Excellence Officer
Approved by:	Bodycote plc Board
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