This section of the strategic report describes how the directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006 when performing their duty to promote the success of the Company for the benefit of its stakeholders.

The Company’s key stakeholders are its customers, employees and suppliers. The directors consider their needs when making decisions. As a wholly-owned subsidiary of the Bodycote plc Group (the “Group”), its parent company and other members of the Group are also stakeholders of the Company. Accordingly, the interests of the Group have also been taken into account by the directors and decisions have been made in agreement with the Board of Bodycote plc. More information on the Group may be found in the Annual Report of Bodycote plc, which does not form part of this report, but details the consideration given to its stakeholders.

Engagement with customers is essential and regular meetings are held. The Company collaborates with customers, working together to better understand and meet their needs, improving customers’ product characteristics and addressing any concerns. Customer satisfaction and service performance are key to the Company’s success.

Employee engagement is vital to the success of the Group as a whole and formal and informal processes are used to engage with employees. In addition employees have access to the Group’s confidential “Open Door Line” operated by an independent third party. This is a confidential channel where employee stakeholders can raise concerns about unethical practices and conduct contrary to Bodycote’s values.

The Company partners with suppliers and contractors to mitigate risks and improve practices, ensuring adherence to the Group’s policies in areas such as safety, transparency and business ethics.

The Company published its payment practices reports via the government platform for the 2019 financial year.