



Donaldson Filter Components Limited **Statement Under Section 172 of the Companies Act 2006**

This statement, which forms part of the Strategic Report, is intended to show how the Directors have approached and met their responsibilities under section 172 of the Companies Act 2006 during the financial year.

As required by s172 of the UK companies Act 2006, a Director of a Company must act in a way they consider in good faith and would most likely promote the success of the company for the benefit of its stakeholder. In doing this, the Director must have regard, amongst other matters, to the following:

- likely consequences of any decisions in the long term;
- interests of the Company's employees;
- need to foster the Company's business relationships with customers, suppliers and others;
- impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct;
- need to act fairly as between members of the Company

The board of the Company is collectively responsible for managing the affairs of the Company to achieve its long-term prosperity by making important decisions, monitoring the underlying performance of the Company, as well as being a means for establishing ethical standards.

When making decisions, the board seeks to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long-term.

Strategic Report for the Year Ended 31 July 2021

Statement Under Section 172 of the Companies Act 2006 (continued)

The Company is part of Donaldson Company Incorporated Group ("the Group"), and as such it follows a range of the Group policies in place to protect employees and provide a safe working environment, to ensure compliance with all regulatory requirements and adherence to the highest professional and ethical standards in dealing with customers, suppliers and colleagues.

Workforce

Engaging with the workforce enables the employees to be better informed and able to contribute to the delivery of our purpose and strategy, whilst creating a safe and engaging culture and environment where our employees feel valued, respected and listened to. We want all employees to feel they can grow, develop and make a meaningful contribution to our strategy.

We maintain regular dialogue with our workforce through, employee surveys, weekly briefings and a works company council.

Customers

Engaging with customers allows us to better understand our customer's needs and how we can deliver continuous improvement in customer service. We engage with our customers through channels such as our website, by phone, email and through a complaints procedure.

Suppliers

We create close and collaborative relationships with key suppliers to ensure our values and policies are effectively incorporated into and upheld throughout our supply chain.

Standards of Business Conduct

We are committed to conducting business ethically, with honesty and integrity, and in compliance with all relevant laws and regulations. We do not tolerate any form of bribery, corruption, human rights abuse, or other unethical business conduct.

Community and Environment

We aspire to be a responsible member of our community as it reflects our principle to do the right thing. It is also important to our colleagues, customers and shareholders. The Company has a charity committee which organises events to raise money for local charities and food collections for the local food bank. The Company also plants trees and shrubs on the company grounds every year.

Shareholders

Our ultimate parent company is Donaldson Company Incorporated and therefore we act in the best interest of our immediate and ultimate parent companies and, in doing so, in the best interest of the investors and shareholders of the group. This ensures that the interests of all relevant stakeholders, and the need to act fairly between members of the Company, are considered during decision making.