



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.

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

At Donaldson, we understand that our employees are central to our success. We are committed to providing a safe and inclusive work culture and environment that promotes professional growth and professional development. Through active interaction with our workforce, we empower them to contribute to the realisation of our mission and strategic objectives.

Working safely is important to the company and is one of the global priorities. The company partners with colleagues and contractors to make sure there are effective working risk assessments and practices and that they are adhered to. We invest in all aspects of health and safety and are committed to delivering the highest standards. The health and safety committee provide additional oversight and corporate governance to ensure continuous improvement.

Donaldson Corporation Inc has recently undergone a worldwide restructuring initiative aimed at bolstering professional development and growth. As part of this effort, we provide training and development programs

designed to nurture and encourage professional advancement.

Colleague feedback is important to the management team and Donaldson Filter Components maintains communication through our company council, regular weekly briefings and surveys are conducted on a regular basis to ensure ongoing engagement and feedback.

Our decisions consider the well-being, job security, and work-life balance of our employees.

Customers

Our customer satisfaction is paramount. We prioritise delivering high-quality products that meet their needs and contribute positively to their experiences.

We maintain a dedicated customer support channel for issue resolution and respond promptly to inquiries and feedback. We prioritise transparency and trust in all our interactions.

We maintain stringent quality control measures throughout our manufacturing processes to ensure our products consistently meet high standards. This dedication to quality is a testament to our unwavering commitment to delivering excellence for our customers.

We prioritise timely delivery of orders, understanding the significance of timely delivery to our customers. Our logistics and supply chain management are designed to minimise delays and enhance reliability.

Suppliers

Our supplier relationships are playing a pivotal role in our operational excellence and the delivery of high-quality products to our customers. We recognise the significance of a robust and collaborative supplier network.

We engage in strategic sourcing practises to identify and collaborate with suppliers who share our commitment to quality, reliability, and ethical standards. This approach means our supply chain remains resilient and responsive.

We maintain open lines of communications with our suppliers, promoting transparency and clear expectations. Regular dialogue enables us to address any challenges promptly and collaboratively.

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

Our commitment lies in reducing our environmental impact and bolstering the well-being of the communities in which we are active. Through proactive engagement, we initiate projects that directly contribute to the betterment and advancement of local communities.

Donaldson Filter Components engages with local schools and provides opportunities for students to participate in work experience placements.

The company has a charity committee responsible for coordinating various events throughout the year to generate funds for local charities and food collections for the local foodbank.

In line with our environmental responsibility, the company engages in initiatives that positively impact the environment. The workforce plants trees and shrubs on the company grounds, with an aim to enhance local ecosystems. Furthermore, we actively work towards enhancing the efficiency of our machinery which in turn reduces our energy consumption, reflecting our dedication to sustainable practises.

Shareholders

While we aim to create value for all stakeholders, we also acknowledge our responsibility to deliver sustainable returns to our shareholders. Our ultimate parent company is Donaldson Company Incorporated, and we act in the best interest of our immediate and ultimate parent companies and the best interest of the shareholders of the group. Our decisions are guided by a long-term perspective that balances short term financial gains with the interest of all our stakeholders.

In conclusion, at Donaldson Filter Components Ltd, we approach our business decisions with a holistic perspective that considers the diverse interests our stakeholders. By embedding these considerations into our decision-making processes, we are committed to building a successful and sustainable future for all those who rely on us.