

## Edwards High Vacuum International Limited s172 (1) statement for the financial year ended 31 December 2019

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In discharging our section 172 duties, we consider the interests and views of all our key stakeholders. In reaching our decisions we consider our purpose, vision, values and the Group's strategic priorities as outlined in the Annual Report of Atlas Copco AB (<https://www.atlascopcogroup.com/en/investor-relations/financial-reportspresentations/financial-publications>). We have a process in place for decision-making and we aim to make sure that our decisions are consistent across the board. In taking the aforementioned into account, we note that the decisions we ultimately make will not necessarily result in a positive outcome for all of our stakeholders.

As is normal for large companies, we delegate authority for day-to-day management to the management team and then engage them in setting, approving and overseeing execution of the business strategy and related policies. We review health and safety, financial and operational performance and legal and regulatory compliance at our Board meetings.

**Employees:** We engage with our employees throughout the year on a number of topics. Employees are encouraged to participate in the group-wide employee insight survey which takes place every other year. We hold regular business area webinars, town hall meetings and operate an "open door" policy.

**Customers:** Our customers are each assigned a key account manager who will liaise with them throughout the life of each contract. Customers are encouraged to provide feedback. We also send out a survey each month to some of our customers in order to empirically evaluate their satisfaction of our customers and address any of their concerns.

**Suppliers:** We have an open and transparent engagement style with our suppliers in line with our business code of practice. We engage on a number of matters including quality, Health & Safety, environmental issues and ethics.

The Directors of the Company aim to meet formally and hold board meetings twice per year. At these meetings general performance and the affairs of the Company are reviewed and key decisions approved or ratified.

Specifically during the financial year 2019, a number of decisions were made by the Board. These include;

**Declaration of dividend:** Each year, the Board assesses the strength of the Group's balance sheet and future prospects. As a result, the Board approved a dividend payment to the sole shareholder, Edwards Limited of £10m. In making this decision the Board considered a range of factors, including the long-term viability of the Company; its expected cash flow and financing requirements, as well as the expectations of our sole shareholder.

**Payment practices:** Following the introduction of the requirement for large companies to broadly report on a half yearly basis on their payment practices, policies and performance, the Board has introduced processes and KPIs to monitor payment practices and improve on the number of invoices paid on time. The Board is keen to build strong relationships with our suppliers and prompt payment is important to us.