

## **S172 Statement by the Directors**

Under S172 Companies Act 2006, we as directors have a duty to promote the success of the company. This year we wish to state some of our key strategic objectives and the consequences of our decisions taken for the long term benefit of the company, its stakeholders, community and its reputation.

### **Our Strategy**

We innovate to produce products, systems and solutions that benefit our customer. In turn this benefits their customers. Reducing energy consumption, carbon emission, waste and bureaucracy are goals that will benefit all stakeholders and our community. Customers, who represent a vital link to our global market ambitions, have clear ideas of how they should evolve. This in turn drives our strategy, our product development and our digitalisation.

### **Alignment with Group Strategy**

In the financial year we report here we have incorporated a new global entity: ebm-papst NEO. This will play an increasing role in supporting existing and new customers with digital solutions. A specialist team has already begun great work in the UK, with several successful trials already concluded.

### **Strategic review of business model**

The Directors are pleased to report performance above the sector average in tough trade. The combined effect of Brexit and the covid-19 pandemic created uncertainty that adversely impacted planned growth during the year. Established markets were all down on forecast trade, but there were some pleasing results in new growth markets where previous year investments were rewarded with satisfactory sales and profitability. Despite the continuation of the uncertain economic environment into the next trading year and beyond, further investment in new markets will continue, in line with the strategic long term investment model. The company will continue to invest and develop new solutions that extend the company's reach into high functionality systems which are used beyond its traditional customer base.

### **Our Customers and Suppliers**

Focusing on supporting all our stakeholders in our financial year blighted by the global pandemic has been successful. We didn't defer any orders. We paid everyone on time. We retained all our jobs. We delivered on time and maintained exceptional relationships with our customers. Bad debt and write-offs were no worse than in pre-pandemic years.

### **Our Shareholders**

Our shareholders were highly supportive throughout the year, by reducing their short term expectations to enable this company to thrive in the long term.

### **Our Employees**

Employees were exceptional throughout the year. We used the CJRS (Coronavirus Job Retention Scheme) for a short period; In addition some employee's forfeited salaries and holiday entitlement, and many others worked more flexibly as they balanced agile working with the needs of the business. The preservation of jobs within the greater economy is one of the company's goals.

### **Personal health and environmental factors**

The company achieved success in the latest round of environmental accreditation. All waste is now fully recycled, landfill waste is no longer produced by the company. Personal health was always at the forefront of the company's thinking before covid-19. Now that the crisis has unfolded, the company has intensified its work together with all its key stakeholders to ensure their working environment is the safest in sector. This will in turn benefit their customers, suppliers and partners.

### **Community and Environment including Energy & Carbon Report**

The operational side of the business continued to trial and deploy energy efficient fleet vehicles. We continue to produce zero landfill waste. Everything that we produce that creates waste is recycled using the latest means and technology available. We fully support the latest SCIP database initiative that aims to reduce hazardous substances in waste and create a better circular economy. This year we started to trial the placement of obsolete stock into a resale channel, which avoids the cost of dismantling, sorting and transporting component parts of our products when placing it into the recycle chain. We continue to pollute less than any other previous year.

During the year the company's CO2 emissions totalled 383 tonnes, the electricity consumption amounted to 492,823 kwh and gas consumption of 981,870 kwh. The method used to obtain this information was from meter readings converted into CO2 emissions via approved calculations.

The company is always looking at ways to improve its environmental impact by looking at its energy efficiency. In particular by participating in the ISO14001 accreditation. The company sells over six of its products for every kg of CO2 it emits, which one of its current ratios of measurement.

ebm-papst Group continue to develop market leading products, which enables the Group to maintain their strong position in the industry, further increasing its market position.