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HR-43 Approved by Duncan Mounsor

COMPANY BREXIT STATEMENT

The United Kingdom will leave the European Union on the 1st January 2021. At the time of writing, there are no agreed 'trade deals' between the UK and the EU. As such, considerable uncertainty exits due to the lack of clarity and detail by the UK Government and the fact that complete information relating to many aspects of the UK's departure has not yet be finalised or published.

Despite this backdrop of uncertainty and the current lack of coherence and clarity, Enviro Technology Services Ltd (ET) has assessed potential risks to the business and its customer base with regards to Brexit.

As an ISO9001:2015 quality assured Company, ET first entered 'Brexit' onto its central business risk register in August 2016, shortly after the Brexit vote, and has continued to keep abreast of Brexit developments and risks ever since.

Brexit is addressed frequently at management meetings to ensure readiness and to manage any potential impact risks.

Identified Risks.

- 1. **ET Sales into the EU.** Whist ET sales into continental Europe represent a tiny fraction of turnover, ET does sell into the Republic of Ireland. At the time of writing, ET does not foresee any major difficulties or risks with sales of air quality monitoring equipment, systems and services into the Republic of Ireland. ET works with accredited freight forwarders who are fully prepared for Brexit and the Company also receives updates from the Bristol Chamber of Commerce. We have not been made aware by any of our trusted and long-standing freight forwarders, or the Chamber of Commerce of any major changes on the horizon.
- 2. Imports of monitoring instrumentation from EU Countries into the UK. ET is the exclusive UK & Ireland distributor for several brands of monitoring technology manufactured by EU based Companies (in Netherlands, Germany, Sweden for example). Again, at the time of writing and after further investigations and advice, ET does not expect or foresee any major difficulties or risks, post January 2021. ET works with accredited freight forwarders who are fully prepared for Brexit and the Company also receives updates from the Bristol Chamber of Commerce.
- 3. **Risk of price increases across the supply chain.** In the event of a no-deal, or poordeal Brexit with the EU (or any form of Brexit) there is the real risk of price increases across the supply chain including:
 - a. Price increase from any newly introduced import tariffs.
 - b. Price increases as a result of additional paperwork or resource requirements etc. to process and fulfil orders for equipment sourced from the EU.
 - c. Price increases as a result of increased freight forwarder and transport costs.
 - d. Price increases as a result of any increases to fuel costs as a direct result of leaving the EU.

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- e. Price increases as a result of UK and EU businesses having to invest in new product conformity testing and certification i.e. UKCA (which replaces CE mark). https://www.csagroupuk.org/2020/09/understanding-the-use-of-the-ukca-mark-for-uk-markets/
- f. Price increases due to any other reasons outside of ET's direct control.
- 4. **Non-British EU Nationals in the ET's UK Workforce.** Currently, ET does not employ any permanent or temporary Non-British EU nationals in its UK workforce. The Company therefore does not see any risk with regards to any changes with regards to residency or immigration / emigration as a result of Brexit. In addition, the Company to the best of its knowledge, is not aware of, or impacted by any of its UK supply chain being adversely reliant on Non-British EU Nationals.
- 5. **ET's Operations in the Republic of Ireland.** ET employs an Irish national based in the Republic of Ireland to take care of installations and servicing for our Irish customers, both in the Irish Republic and Northern Ireland. At the time of writing, ET is waiting for the UK Government to open the Supply Trade registration website which ask for details of individuals who will be regularly moving between Northern Ireland and the Republic of Ireland due to the nature of their work (i.e. service engineers). ET does not foresee any significant issues or risks with regards its ongoing provision of service and support in Northern Ireland or the Republic of Ireland.

For and on behalf of Enviro Technology Services Ltd.

Duncan Mounsor

Managing Director

19/11/2020

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