

Brexit Statement

In preparation for the UK leaving the European Union on 29th March 2019, we have analysed our operations and, where possible, taken measures to mitigate the potential impact of Brexit on our customer service level. The possibility of a no-deal Brexit remains high and the contents of this statement reflect this.

Raw Material Supply

Many of our raw materials are supplied by companies based in EU member states. We have long established working relationships with these companies and in many cases are one of their largest customers. We are therefore confident of their commitment to supplying PennWhite following a no-deal Brexit.

Storage Capacity

In order to store additional raw materials, we have increased our bulk storage capacity for raw materials by almost 40% by the installation of new external storage tanks and new racking with an additional 360 pallet spaces.

REACH

In the event of a no-deal Brexit, EU REACH registrations held by our EU and UK suppliers will be "valid" in the UK for 2 years from the date of Brexit. During this interim period we anticipate that EU and UK manufacturers will seek UK REACH registration for their goods where applicable. UK manufacturers holding EU REACH registrations will need to establish an EU entity in order for those registrations to remain valid in the EU. It is unknown if the EU will allow a period of grace for this process to be completed.

Import Delay

The UK Government has announced that goods entering the UK from the EU via RoRo ferry will be "waved through" UK customs without being required to stop. Any payment of duties will also be deferred under this plan. This should eliminate delays on the UK side, but it is not yet known if EU ports will introduce a similar policy on goods leaving the EU.

Export Delay

The UK Government has announced a Transitional Simplified Procedure (TSP) which would come into effect on D1ND (Day 1 No Deal). This aims to minimise delays at UK RoRo ferry ports by requiring UK exporters to lodge customs documents with HMRC in advance. Delays may still occur at EU receiving ports dependent on the customs policies each EU member chooses to enforce.

Workforce

Only around 4% of our UK based workforce are non-UK citizens. Under current Government plans their ability to work in the UK will be protected. In the event of their choosing to return to their EU country of origin, their absence would not be a significant constraint to our business activities.

Tariffs

In the event of the UK Government choosing to apply WTO tariffs to EU sourced raw materials after a no-deal Brexit, we will operate in line with Government guidelines and applicable law. PennWhite will take all reasonable steps to avoid price adjustments and is determined to remain highly competitive in the post Brexit domestic and export market.

European Regulation

To facilitate the export of our products, either by ourselves or by our customers, we will continue to observe and comply with relevant EU regulations following a no-deal Brexit.

European Entity

To support of our well established trading and sales presence in Europe in the event of a no-deal Brexit, preliminary plans are in place to establish a PennWhite legal entity in an EU member state.