

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. In the recent weeks the possibility of a no-deal Brexit has increased significantly, and we are adapting our plans accordingly.

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.

Import Delay

In anticipation of delays to key raw materials due to disruption at UK ports following a no-deal Brexit we have increased our stock holding, where possible, by around 25%. We estimate that this will enable us to hold four to six weeks of stock of these materials at the time of 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 in August 2018 and new racking with 360 pallet spaces in October 2018.

Workforce

Only around 4% of our UK based workforce are non-UK citizens. In the extremely unlikely event of their forced repatriation following Brexit, or 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. The imposition of tariffs may lead to fluctuations in financial markets which could further increase imported raw material costs. 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.

REACH

In the event of a no-deal Brexit, REACH registrations held by our EU suppliers will not be valid in the UK and registrations held by UK suppliers will not be valid in the EU. We are asking our EU and UK suppliers if, and how, they intend to either maintain or obtain ECHA and/or HSE REACH registrations which will allow their goods to be sold in both the EU and UK after March 2019.

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.