

# Brexit Statement

The United Kingdom (UK) formally left the European Union (EU) on 31<sup>st</sup> January 2020.

The UK is now in a Transition Period during which its trading and regulatory relationship with the EU will remain unaltered. This Transition Period will expire on 31<sup>st</sup> December 2020 and it is hoped that a mutually beneficial free trade deal between the UK and EU will be in place at that time. PennWhite recognises and has addressed the following issues regarding the UK's trading relationship with the EU after the end of the Transition Period:

## Raw Material Supply

We have long established working relationships with our EU based suppliers and have ensured dual sources for our key raw materials where possible. We are therefore confident of their continued supply to PennWhite.

## REACH

We are working with our EU and UK raw material suppliers to ensure that the EU and UK REACH registration requirements of any substances we use in our formulations are met.

## Import Delay

PennWhite has secured the services of a customs agent to optimise the flow of its raw materials through the import process. We are working with our EU suppliers to minimise any delays caused by EU and UK customs procedures.

## Export Delay

PennWhite has secured the services of a customs agent to optimise the flow of its goods through the export process. We are working with our international haulage partners to minimise any delays caused by UK and EU customs procedures.

## Workforce

In the unlikely event of the small number of EU nationals working at our UK facility choosing to return to their EU country of origin following the end of the transition period, their absence would not be a significant constraint to our business activities.

## EU Regulation

To facilitate the export of our products, either by ourselves or by our UK customers, to the EU, we will continue to observe and comply with relevant EU regulations following the end of transition.

## EU Tariffs & Delivery Terms

We are determined to remain highly competitive in EU markets. Deliveries to EU customers will be on a DDP (Delivered Duty Paid, Incoterms 2020), basis. This means that PennWhite will clear the goods through both UK and EU customs *and* pay any EU import duty (tariff) and EU tax (VAT) that may apply. EU customers will therefore not be required to undertake additional work or incur additional costs when purchasing goods from PennWhite Ltd after the end of the Transition Period.