



UNITED Company “Brexit” Policy Statement

The decision made by the UK government as a result of the 2016 referendum to leave the European Union means that we must plan for the challenges that this decision brings.

In order to safeguard that our business from uncertainty and risk, we have put into effect a number of measures which will ensure the strongest possible outcome for our company, our suppliers, our partners, and our customers as the break or transition away from EU membership takes place.

Whilst assurances have been made by the Government regarding “Brexit”, it is impossible to predict the final outcome, and there continue to be a great deal of uncertainty around the full impact right until the final withdrawal date.

United provide our customers with goods from both within and outside of the EU and we are in consultation with all of our business partners regarding impact studies, and contingency planning. We are also in talks with a number of customs brokers and freight companies who can support us with any extra requirements relating to customs clearance entries and summary declarations.

There has been a lot of speculation in the media about the possibility of congestion at British and EU ports in the immediate aftermath of Brexit. The speculation is based on the expected necessity for additional paperwork to be completed on goods transiting through the ports, the worst case scenario being that there could be limited movement of goods between the UK and the EU for the few months following the withdrawal.

We are putting actions in place to ensure the availability of higher levels of stocks in the UK prior to the leaving date based on market demand. Our principals are supporting us with the availability of extra forecasted capacity for their products where possible.

We are asking that our customers work with us by forecasting demand and plan in advance their order volumes for 2020 where possible. Placing call off / forward planning orders will allow us to ensure adequate stocks are available and wherever possible, pricing is maintained.

We appreciate the anxiety felt by the business sector, including our customers. Equally, within our own organisation wide ranging sections of our business will likely be affected by changes.

We hope that this statement answers the main concerns that you may have during this period of uncertainty. If you have additional queries or would like clarification, please do not hesitate to **contact us**.

United Procurement Team – September 2019

United Brexit Impact and Risk Mitigation Plans



Area of Concern	United Status	Period Withdrawal (Exit over extended period) Revised Deal with New Transition Period			Period Withdrawal (Exit over short period)			Complete Withdrawal on October 31st No Deal		
		Risk (Most Probable)	Impact	Contingency	Risk (Most Probable)	Impact	Contingency	Risk (Most Probable)	Impact	Contingency
Staff	- 98% Staff are UK nationals -2% are EU (Non-UK) but are eligible for settled status	Low Immediate Risk Due to low number of affected staff	0	No contingency required	Low Immediate Risk Due to low number of affected staff	0	No contingency required	Low Immediate Risk Due to low number of affected staff	0	No contingency required
Cost of Product	-Product Origin 11% UK , 12% EU, and 77% ROW -Vulnerable to pricing reviews from Suppliers - Exposed to further Sterling FX falls	Many Suppliers announce increase prices based on uncertainty and the general cost increases in their supply chain	2	-Work with Suppliers to mitigate -Challenge Suppliers and Own business to cut costs -Work with Customers to share burden	All Suppliers increase prices based on uncertainty and the general cost increases in their supply chain	4	-Work with Suppliers to mitigate -Challenge Suppliers and Own business to cut costs -Work with Customers to share burden	-Suppliers impose immediate hikes -Refuse to honour contractual obligations -Opportunistic Increases	6	-Start Work with Suppliers Now -Challenge Suppliers and Own business to cut costs -Work with Customers to share burden
Availability Of Product	-Deal with a mix of manufacturers and stockists -Vulnerable to delays caused by port traffic & additional customs checks	Many Suppliers impose elongated lead times	3	-Increases in min Stock to cover short period -Review planning Methods	Suppliers impose elongated lead times & product discontinuation	5	Identify Key items & work with customers for alternative products and sources of supply	-Suppliers impose elongated lead times & product discontinuation - No availability of alternatives	7	- Identify Key items & work with customers to build stock of products and sources of supply - Secure alternative Supply routes outside of normal supply base
Consumer Confidence	-Core Driver is Consumer Leisure Spend which is sensitive to consumer confidence and the buoyancy of the economy	Demand levels drop significantly over an extended period	2	-Work with the Supply Chain to maintain most economic delivery model	Demand levels drop significantly over this period and beyond	3	-Work with the Supply Chain & Customer to maintain a sustainable model	Large & sudden drop in consumer spending, followed by extended lull in spending for an undetermined period	4	-Develop Low Cost Supply Chain Alternatives -Work with Customer to target new & Innovative Channels