

Routeco UK statement on BREXIT - December 2020

Routeco hold approximately 9,000 stock lines out of our core manufacturing partner's product array of 170,000 lines, being sourced mainly from Europe, Americas and UK. We do not believe that BREXIT will create any unmanageable risks to our business, nor will it precipitate changes to our UK business model. However some procedural changes will be introduced.

Working closely with our key suppliers with their own plans for BREXIT, Routeco are increasing stock holding of our fast and medium moving items by an additional £4m. This will be held in restricted bins and released into free stock after the 31st December 2020 deadline.

Many of our suppliers have also increased UK stock holding and explored options for alternative ports for importing goods into the UK.

We will continue to monitor developments over the coming days and work with our supply partners and customers in order that we can operate effectively through the potential No Deal BREXIT period and beyond.

We remain committed to offering the highest possible levels of service to our customers and business partners.

However, we feel a **No Deal BREXIT** may have an effect on how businesses trade.

BREXIT will potentially impact the following:

- Customer Service and Supply Chain
- Employees and mobility
- Regulatory frameworks and compliance
- Financial impacts such as tariffs, FX rate and clearance administration fees

We have updated our system to incorporate Commodity Codes, Country of Origin data, and for any export shipments Incoterms will be agreed with the Customer. Routeco will require your EORI number for inclusion on the commercial invoice.

Please be aware also that some disruption is likely at the various ports after 1st January 2021, so Routeco would ask our customers to give as much notice as possible on forward order requirements.

Please contact your account manager to enable engagement with the Supply Chain team or contact the undersigned if you have any questions.

On behalf of Routeco Limited



Darren Lack

Supply Chain Director – Routeco Group

22/12/2020