



August 2019

Dear Stakeholder

**Subject: BREXIT Statement**

The UK continues to have a split opinion over Brexit, with a high degree of uncertainty and a regularly changing political landscape; therefore, you should be *assured* that REMET is planning for the worst case and will continue its current strategy to mitigate and avoid the business risks associated with the UK leaving the EU. These actions include

1. During 2018 registering a Eurozone entity in Germany, REMET GmbH. We are currently completing the final legal and requirements to trade commercially. This company will in the first place provide an EU based organisation from which to trade if considered beneficial to our supply chain.
2. REMET have increased stock levels across EU warehouses. In Eastern Europe, we shall continue to manage our European stock-holding in our Bratislava warehouse. This will relieve the potential problems that is foreseen importing to the EU, especially over the critical transition period. It is considered that during this period there could be the most pressure on the supply chain with delays possible. Therefore, *I urge* you, where possible to help us by providing a forward plan of production demand such that we can best plan to manage our deliveries to you.
3. Reviewing our compliance with REACH legislation. Some have raised specific concerns regarding the validity of pan-European legislation such as REACH. Whereas there is a plan by the UK government to leave EU Law on separation, in all REMET cases REMET is fully compliant with REACH. It is considered that there is little risk associated with this legislation and Brexit.

As a measure of the confidence expressed in REMET a number of pan European Casting Groups continue to invest in REMET 's superior materials technology and are reassured of our contingency planning over this Brexit transition period.

However, we understand that a number of organisations could be trying to exploit the current situation by spreading unsubstantiated concerns over tariffs, customs duties and trade embargoes. REMET considers this ill-informed scare-mongering as none of these subjects have been mooted by either the European Commission or the UK Government. Should there be any changes then we will keep you informed and most importantly, manage our supply chain accordingly.

I have enclosed a copy of our abridged Risk Mitigation Plan, which you can review, and I hope will answer any further questions.

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YOUR CONCEPT TO CASTING PARTNER



I hope your immediate concerns are addressed and enquiries answered. However, if you have any further questions I would be pleased to answer them.

Yours faithfully

A handwritten signature in purple ink, appearing to read "Philipa Rogers".

**Philipa Rogers**  
**Chief Operating Officer**  
**Remet UK Ltd**

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	Item	Area for Concern	Potential Risk	Question Type (add comments is available for all questions)	Possible Impact	Advice on Potential Action/Mitigation Strategy	Additional Comments
General	1.1	Readiness	Is your company/site actively analysing the impact of Brexit, in particular a "no-deal Brexit"?	Yes	Shortages, cost, production delays	Set up a multidisciplinary Brexit team, assign ownership and a central champion, hold regular Brexit workshops/reviews to assess developments and implications	Managed through Senior Management team meetings on a monthly basis. Regular agenda item
	1.2	Inventory	Have you identified those supplies that could be impacted?	Yes	Shortages, cost, production delays	Identify critical supplies and put appropriate (eg 4 to 6 weeks) buffer stock in place	Full operational managed warehouse with Bratislava, SK for > 10 years. The plan is to increase buffer stock in line with customer demand throughout the transition period. This increase in pallet space has already been allocated for REMET UK. Wax - UK to EU (Buffer stock) Binder EU to UK (Buffer stock) RMs from EU (Wax) REMET GmbH will also deal with EU deliveries from outside the EU to ensure no issue with current deliveries from outside th EU. Refractory to EU (REMET GmbH) Soluble Wax (GmbH) Binder from outside EU (GmbH)
Personnel	2.1	Immigration/Work Status	Have you anticipated potential instability/shortages in your workforce ?	Yes	Production delays, shortage of labour	Discuss concerns with non resident staff and allay fears, train, cross train and upskill workforce to cover potential gaps	All resources gaps identified with no issues. 3 resources identified of concerns (less than 5 years residency) and HRMC residency secured. Additional Supply Chain resource fulfilled.
	2.2	Immigration/Work Status	Does your workforce need to regularly travel between the EU and UK to accomplish outlocated work ?	Yes	Cost and delays to apply for Visas	Perform staff appraisals and ascertain which staff are travelling between borders to accomplish work, redefine this work: can it be completed within the company? Identify new means and strategy for outlocated work. Once it is known if Visas are required apply early. Try and carry out meetings via Skype.	Full visa applications will be managed internally if required. Visas costs will be covered by REMET UK
Supply Chain	3.1	Delivery Delays	Can you limit the impact of Brexit on the Supply Chain?	Yes	Shortage of critical materials	Look to re-source to/second source with local suppliers (ie removing need to cross UK/EU border) and/or put buffer stock in place	No replacements or substitute materials needed. Full operational managed warehouse with Bratislava, SK for > 10 years. The plan is to increase buffer stock in line with customer demand during transitional period. This increase in pallet space has already been allocated for REMET UK. Wax - UK to EU (Buffer stock) Binder EU to UK (Buffer stock) RMs from EU (Wax) New freight routes and new ports of entry found and operational. REMET GmbH will also deal with EU deliveries from outside the EU to ensure no issue with current deliveries from outside th EU. Refractory to EU (REMET GmbH) Soluble Wax (GmbH) Binder from outside EU (GmbH)
	3.2	Freight Forwarders	Are your transport carriers Brexit ready?	Yes	Shortage of critical materials	Current UK truck licenses permit travel to the EU this may revert to a permit system post Brexit. Check carriers are Brexit ready.	2 forwarders used. Both companies have EU premises and have plans on Brexit identified.
Delivery Risks	4.1	Border delays	Do you expect border checks/bottlenecks to impact your leadtimes (eg. production and delivery) both as between UK & EU and also UK & RoW?	Yes	Shortage of critical components	Consider / budget / plan to hold stock of 'at risk' materials, to mitigate extra lead time, assess cost impact of increased stock holding, review MRP master data to allow for increased stocks, simulate worst case cost impacts to business of increasing stocks and producing early	Yes, stock position will be increased and lead time will be assessed to ensure delivery time is communicated. Two different ports will be utilised to reduce bottleneck issues.
	4.2	Inventory	Will you increase stocks to mitigate extra lead time/delays?	Yes	Inventory increase. Cash	Consider / budget to increase stocks to mitigate extra lead time. Plan in to MRP	Yes Stock days will be increased
Customs	5.1	Customs requirements	Are your customs managed internally (YES) or through an outsourced provider (NO)?	No	Shortage of critical items	Ensure time / budget is provisioned to train existing/additional staff/resources to manage increased workload in declarations etc..	Each site/supplier should nominate and train a site co-ordinator for customs clearance etc. responsibilities (rather than simply seeking to rely on freight forwarders).
	5.2	Free Trade Agreements	As a UK entity do you trade under EU FTAs with third countries (such as South Korea)?	Yes	Cost/compliance	Establish implications of such FTA not being available post Brexit. Consider also impact of Brexit on any country of origin requirements	Russia, China, India, USA etc.
	5.3	Customs Clearance	Are you actively preparing to meet the requirements for making customs declarations etc. post Brexit ?	Yes	Shortage of critical items	Familiarize yourself with the data and ensure you can complete the SAD.	Managed through freight forwarders
	5.4	Tariff/duty/VAT Changes	Do you understand the impact of potential tariffs duties and import VAT on your business ?	Yes	Cost/cash	Work to understand maximum exposure/prepare for additional outlay/look to re-source to local supplier/consider duty relief schemes	Yes, WTO tariffs state no impact to duty. - CHECKING
Compliance/misc.	6.1	General	Have you undertaken an analysis of the regulatory implications of Brexit on the supply of your goods/services?	Yes	Non-compliance	Review the impact of Brexit on the goods and services your company provides and receives eg requirement for licenses, quality standards, authorisations, etc	AEO/ISO Accreditation will remain a global standard and is not expected to change following an EU Exit
	6.2	REACH (EU chemicals regulation)	Are you reliant on any REACH registrations (your own or your supply chain's) for trading across the UK/EU border?	Yes	UK registrations may not be valid in EU 27 (and vice versa) post Brexit without additional action	You may need to transfer/cross-register/duplicate/appoint an Only Representative in the EU 27 (or UK as applicable)	Yes, it is expected this will remain unchanged followed a no deal Brexit ( <a href="https://www.hse.gov.uk/brexit/index.htm">https://www.hse.gov.uk/brexit/index.htm</a> )
	6.3	Export Licences	Do you export controlled items across the UK/EU border?	No	licencing requirement will extend from military to dual use	Understand the licencing requirements and options to avoid delays	NA
	6.4	Exchange Rate Volatility	Has your Company experienced impact from exchange rate fluctuations and will there be more to come ?	Yes	Cash Impact	Discuss with Finance/Treasury colleagues	Yes, full coverage in Euro, Dollar and Sterling currencies to reduce impact of FX fluctuations. <a href="#">Review fixed rate STG and USD contracts</a>
	6.5	Contracts	Will Brexit impact any contract terms (eg Incoterms or lead times)?	No	Problematic Terms (e.g Incoterms, Lead Times)	Review current contracts to identify and address issues with counterparties.	<a href="#">Training required for Incoterms</a>
	6.6	Other	Has your company considered the impact of future diverging product (goods & services) compliance rules including product compliance, environmental and health and safety standards (e.g. : declaration, registration, etc) for accessing the EU-27 and UK markets, including for goods and services placed prior to Brexit ?	Yes	May make things easier / harder dependent on what laws will need to be adhered to.	Review the impacts of Brexit specifically upon the goods and services your company provides and place on the EU and/or UK markets eg requirement for licenses, quality standards, authorisations, etc In case of non mutual recognition system in place after Brexit, consider the impact from 29 March 2019 of possible double certification requirements for goods and services placed on EU-27 or UK markets (before and after exit)	REMET GMBH will be present within Europe to deal with regulations and ensure compliance to diverging regulations. At present, no further information is present to make a detailed analysis