

Beacon Purchasing

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September 15, 2020

Brexit Statement – September 2020

The UK is scheduled to leave the European Union and negotiations continue. Brexit presents us with two potential scenarios: Leave with a withdrawal agreement which has been agreed between the UK and EU, or leave without one (i.e. leaving with a deal or without a deal).

While each scenario will have consequences, the timescales regarding their impact are expected to be different and will depend upon the outcome of the Brexit negotiations.

As these negotiations continue, we are preparing to implement any necessary changes to our business.

Linen Supplies

The majority of our linen is sourced from outside of the EU. We have a warehouse which contains additional stock, based on the current requirements of our annual linen replacement programme.

With Trade Agreement between the UK and the EU yet to be finalised, it is possible that increases in the Customs Officials' administrative workload for EU shipments and subsequent backlogs could cause delays in the delivery of materials originated from outside the EU.

We have considered the potential impact of increased exchange rate volatility, changes to tariffs and issues with customs borders. There may be a potential impact on our costs, administrative workload and our employees. As we import via Southampton, where most of the traffic is containerised and non-European, the impact on the delivery of our products should be expected to be lower.

Having undertaken a review of our business processes, we have taken and will continue to take all the necessary steps to mitigate any potential risks.

Employees

Most of our EU staff are long standing employees and are embedded within the local UK communities in which they live and work. All our sites continue to support relevant employees and their families to make their applications under the EU Settlement Scheme.

Chemical Suppliers

Our chemical partner operates a UK manufacturing site and maintains three months of stock based on our normal requirements.

Plant and Equipment

We maintain a central UK reserve of all critical machinery parts and have a network of 11 laundry facilities producing hospitality linen. We also operate a further 10 facilities handling linen for the healthcare industry.

Although it is not possible for anyone to predict exactly when and how the UK will leave the European Union, we understand that many of our customers will have concerns and would like to reassure you we are taking all possible actions to protect continuity of supply and service levels to our customers.

We will continue to review our position as more information is provided by the Government and can confirm that there is currently no need to alter your normal ordering pattern. If this change, we will inform you directly. As the likely outcomes become clearer, we will adapt our action plan accordingly and will keep you informed of any additional measures which we might need to put in place.

If you have any questions in the meantime, please contact your usual Elis contact.

Best Regards,



Richard O'Brien
UK Commercial Director - Textiles