



Nippon Express (UK) Ltd Brexit Statement

The date for the UK to leave the European Union (Brexit) is rapidly approaching and this means that as a business we are continually assessing the upcoming challenges that this will bring.

As negotiations are ongoing there is still a great deal of uncertainty and therefore our Director and Board have considered the company's position as a Global Logistics service provider and the risks to our UK business. As such we are already well positioned with our own European service coverage and have adopted a "wait and see" stance with regard to investment and required changes to our service, infrastructure and policies.

We recognise that as Brexit unfolds a number of parties will be concerned, including our customers, our European based suppliers and our network of relevant partners. We have therefore considered, amongst a number of areas, the potential impact of changes to tariffs and Customs borders.

Nippon Express are regular attendees of HMRC Workshops working with Customs in relation to Brexit and the new Custom Declaration Service (CDS) which will replace the current HMRC system CHIEF in the first quarter of 2019.

As members of BIFA and users of ASM (Agency Sector Management – the providers of the CDS interface) we attend regular Industry meetings to ensure we have the latest information to plan accordingly for future Brexit and CDS requirements.

We have already researched some implications of major change following Brexit and we have offered advice on certain areas to mitigate the risks to our customers, examples of this for consideration to the supply chains include:-

- Stock holding in both EU27 & UK Nippon Express facilities if necessary
- Increase in stock holding volumes in current facilities within the UK
- AEO accreditation to improve customs processes timings
- Seeking alternative Non EU product supply chains if applicable

As the situation becomes clearer we will source additional manpower and space as and when required. We are confident that there is minimal risk with regard to losing EU Citizenship staff members and we have staff with the required experience and skill set to cope with any changes with regard to customs procedures following Brexit.

We wish to reassure our Customers, Partners and Suppliers of our ongoing commitment to continued trade, both within the EU and with our other Non EU markets. Nippon Express UK Ltd will continue to monitor the situation closely by working with both HMRC and its other accreditation providers and trade bodies. This statement will be updated as and when the situation changes.