

## Mitie Supplier Communication

# Brexit Planning

Mitie has been working with the Government and private sector clients throughout Covid-19 crisis to keep the country working and will continue to do so as we go through the Brexit process. As suppliers to Mitie, you play a pivotal role in helping us to maintain key services.

Regarding Brexit planning, there are four key areas where we expect our suppliers to be taking proactive action, listed below. We also expect any suppliers that encounter unexpected Brexit-related risks or delays to contact their normal Procurement contact immediately to discuss the implications.

### Customs

We expect our key suppliers to have considered all import/export requirements for the movement of goods between Europe and the United Kingdom as applicable from 1st January 2021.

As part of that, suppliers should understand the need to have a valid EORI number (Economic Operator Registration and Identification) required to create Goods Movement References (GMR) that are used through the import/export process. They will need to understand what else is required and be sure to only use hauliers that are able to use the systems required for the Goods Vehicle Movement Service (GVMS).

They may need to explore the use of Authorised Economic Operator (AEO) status companies that are able to fast-track customs clearance with reduced administration, which may make business sense for certain distributors and material/ product importers.

### Contingency planning

We are looking for suppliers to investigate proven logistics routes which could be used as alternatives in case of problems at the busiest UK ports. For example, recent reports in December suggest that certain building material imports from Far East have been delayed by 3 weeks for unloading at UK ports and in some cases diverted to Rotterdam, which will only add to potential disruption in the build up to Brexit on 1st January.

We are expecting suppliers for the affected categories to be updating contingency plans on an ongoing basis and to notify Mitie of any significant risk to supply.

## Tariffs

There will be tariff impacts if the UK is required to operate under WTO principles of trading for a 'No Deal' exit. This varies industry by industry, with some being significantly higher than in the previous EU regime, however others will be lower.

We expect our suppliers to have visibility of the Common Exchange Tariffs which may be applicable to their business, together with details of any additional costs associated with moving goods across borders. We expect current suppliers to have managed any impact in existing contracts, so as a result we do not expect any adverse cost impact to affect our clients.

## People and staffing

We expect suppliers to have made their staff aware of the EU Settlement Scheme as it applies to them in terms of claim for either Settled or Pre-settled status.

Suppliers will also need to manage their recruitment activities according to new rules, if necessary, obtaining the relevant sponsor licence from the Home Office to employ overseas worker. They will also need to understand any exceptions where there are skills shortages, or where the candidate has studied in the UK.

## Reviews of Brexit Preparedness for key Mitie Suppliers

Around 300 key suppliers to the newly merged Mitie business are being surveyed weekly via an online questionnaire to check current status and give early warning of any supply problems. Currently this group of suppliers believe the situation to be manageable, but if you are one of those suppliers contacted to take part, we require you to reply every week even if there is no change to status.

For any suppliers not included in this group, but who feel that Brexit will impact upon their ability to provide products or services, we would also urge them to contact their normal Procurement or Mitie contact as soon as possible to explain the situation and understand potential mitigation activities.