

## **BREXIT PREPAREDNESS PLAN**

Like many businesses, we have been working to ensure we are best prepared for exiting the EU ever since Brexit was first announced.

We thought it prudent to assure you of the steps we have taken to ensure our supply chains are 'Brexit Ready' and avoid any disruption and delays. These measures relate to our operations at Port of Middlesbrough, our ships agency Cockfield Knight and also our wider AV Dawson operations. The measures are all based on our understanding of the information available today.

We have put in place the following mitigation measures:

1. We established an internal, company-wide 'Brexit Preparedness' taskforce to manage the risk of Brexit and its impact on our customers and supply chains.
2. We developed a live risk assessment to identify, manage and monitor all types of risk associated with Brexit, including safety/compliance, financial, operational, reputational and strategic. This is managed by our head of quality.
3. Our head of quality has completed a full review of all of our systems, procedures, licences, permits and approvals to ensure Brexit readiness, including our Temporary Storage Facility (TSF), customs bonded warehousing, compulsory customs guarantee (CCG) and Approved Freight Service Operator (AFSO) status which gives us approval for securing specific cargos for transportation through the Channel Tunnel.
4. Recognising that ports in the South are getting congested, we have created additional storage space on our intermodal terminal to accommodate more containers and tanks as traffic is diverted towards the North.
5. Each employee's personal circumstances have been reviewed to ensure we support individuals affected by the changes to regulations on the movement of labour and to mitigate risk of skills gaps in our workforce.
6. All employee roles have been reviewed to ensure relevant personnel continue to have the appropriate training, knowledge and certifications to support the business and its stakeholders through Brexit. This includes our five qualified Port Facility Security Officers (PFSO) and two Dangerous Goods Safety Advisers (DGSA).
7. We have provided regular communications to our colleagues to ensure we retain our skilled, loyal workforce – we have reassured them that the business is doing everything it can to prepare for EU Exit and that AV Dawson continues to be a strong, healthy organisation.
8. We obtained our company UK EORI number with the HMRC: GB734213854000 (active since 2013).

9. We have implemented an HMRC-approved inventory system, 'Destin8' to manage customs clearances and the arrival and release of cargo coming in and out of our port via vessels.
10. We worked with the North East England Chamber of Commerce to assess the value of becoming an "Authorised Economic Operator" with HMRC. Due to our current mix of operations and the existing licences we have in place for customs bonded warehousing and as a Temporary Storage Facility (TSF) our customs controls and procedures were deemed to be efficient and meet UK and EU standards, and therefore this was considered not to be required.
11. We have identified all of our key customers, key suppliers and other key stakeholders and have looked to engage with each of them to understand how Brexit could affect them and any impact this may have on the services we provide.
12. We have robust due diligence in place to assess the financial strength of our customers and suppliers to mitigate the risk of any potential cashflow or payment issues that could leave our business exposed.
13. We have actively built on our existing relationships with ships agencies, freight forwarders and customs agents handling incoming shipments and exports through our port, to ensure we continue to work effectively together through the changes.
14. With two of our directors holding roles as officers of the Tees & Hartlepool Port Users Association we have been able to assert influence to ensure the River Tees is managed effectively to support new import and export opportunities for our customers and the region.
15. We are heavily engaged in the 'Freeport' debate and supporting the Combined Authority to ensure that if Teesside secures a Freeport that it adds value rather than disadvantages our customers, our business and the local area.
16. We continue to follow closely all UK Government trade policies, regulatory changes and advice for business.