

Balchem Corporation
COVID-19 Action & Response Plan Update

March 31, 2020

On March 10th, we first communicated Balchem’s “COVID-19 Action & Response Plan”. We are continually assessing the Plan in our efforts to minimize the potential impact of the virus on our employees’ health and safety and our operations. We remain committed to keeping our customers advised of our efforts to meet the many challenges associated with operating in this environment.

Balchem’s operations are considered “essential business” as a supplier to multiple critical industries under all orders issued by state and local operations. Thus, we continue to operate at all our plants and despite the global disruption caused by this situation, our manufacturing sites presently continue to operate uninterrupted. Our supply chain, including inbound supply of key raw materials and outbound delivery of finished products, is functioning normally.

We remain committed to taking the necessary steps, based upon available information and anticipated scenarios, to protect our dedicated employees and ensure we can continue supplying key products to our valued customers.

The following update to Balchem’s *COVID-19 Action & Response Plan* is based upon our assessment of the most critical risk areas to protect our employees’ health and safety and to attempt to mitigate any potential production disruption at Balchem production facilities, so as to lessen the possibility of supply disruptions to our customers. We continue to work with our trusted industry partners and relevant experts for further guidance. Below is an update on the current elements of Balchem’s *COVID-19 Action & Response Plan*.

- 1. Balchem Travel, Office Employee and Site Visit Restrictions:** Balchem continues to restrict all non-critical business travel, both domestic and international. Critical business travel is determined in consultation with Balchem Senior Management. This business travel restriction applies to all Balchem employees. Our mandatory work from home practice for all Balchem office employees has been in place since March 20, 2020. Our office personnel have been provided the necessary resources to work from home and we have seen very little disruption in their ability to continue to perform their job functions. Additionally, Balchem continues to restrict site and facility visits by customers, auditors and suppliers that are not essential for ongoing business operations. Travel, office employee and site visit restrictions are in place until further notice.
- 2. U.S. Operations; Inventory Stocks:** As Balchem is considered an “essential business”, we have issued documents to our employees who live or work in areas subject to stay at home orders to ensure that they may continue to commute to work. To date, none of our facilities or our suppliers’ facilities have been materially impacted, and we continue to produce across our



manufacturing network. We will continue to strategically increase stocks of key raw and finished materials to minimize, where reasonably possible, supply disruption. Additional inventories of key products may be staged at other Balchem locations for ease and redundancy of distribution. We are also continuing to work with customers to build safety stock levels at customer locations able to hold additional volumes.

- 3. International Operations; Inventory Stocks:** The entire country of Italy is on “lockdown,” with strict limitations on travel within, into and out of the country. The operations at our two Italy-based production facilities in Marano and Bertinoro are considered “*approved work-related activity*” sites and therefore we continue to operate and function uninterrupted at the present time. While we have seen some delays with respect to border crossings, the transport of raw and finished materials continues in and out of Italy. As in the U.S., we continue to strategically increase stocks of key raw and finished materials, as well as staging additional inventories at other European locations for ease and redundancy of distribution. Despite Malaysia’s two-week lockdown which began on March 16th and includes a mandatory reduction of on-site employees to 50% of normal staffing levels, our plant in Kuala Lumpur continues to operate at close to normal levels. Belgium also announced restrictions beginning March 17th which require office employees to work from home, however, our plant in Grimbergen continues normal operations.
- 4. Continuity of Service and Support:** Our customer service teams continue to service orders and we do not presently anticipate any disruption to our order entry process. Please continue to place your orders as you have in the past. While sales and technical personnel will not be available for personal site visits to your location due to Balchem travel restrictions, our teams do have adequate equipment and connectivity to support you through digital video conferencing, webinars, and normal phone and email support.

Balchem’s corporate and local leadership continues to monitor this increasingly global and rapidly evolving situation and remains committed to keeping our valued customers informed as conditions warrant any further updates.

Thank you for your continued understanding, trust, and loyalty as we push forward in this unprecedented time. If you have additional questions, please direct them to your Balchem account representative or customer service contacts.

Sincerely,

Ted Harris
Chairman & CEO
Balchem Corporation