

Balchem Corporation
COVID-19 Action & Response Plan Update

May 5, 2020

In this week's update to Balchem's "COVID-19 Action & Response Plan", many countries, states, and local jurisdictions continue to lift their stay-at-home orders or are preparing to do so in the coming days. We are also planning for a phased approach for Balchem to begin returning to normal work activities such as re-opening offices and resuming business related travel. This phased approach will take into consideration the applicable government guidelines, specific location, density, and layout of the individual sites, as well as the availability of personal protective equipment (PPE) and various other factors. Balchem's current work from home mandate for all employees except manufacturing and R&D teams will remain in effect until at least May 15th, after which time we will consider the commencement of the phased return to work plan that is in development. We will share additional information in future updates as appropriate.

We are pleased to report that there are no other significant changes from last week's update of the plan and we continue to be encouraged by the resilience of our dedicated employee teams as all of our manufacturing sites presently continue to operate uninterrupted, despite the global disruption that continues to be caused by this situation. We remain focused on steadfast adherence to preventative measures and guidance from external experts to ensure the safety and health of both our employees and our operations. While projections suggest the world is far from the end of this situation, we are beginning to see some positive signs, particularly in Europe, as transportation routes have begun to ease restrictions, resulting in reduced delays at border crossings. There will undoubtedly be many more unique challenges ahead, but we are prepared to continue providing essential products to our valued customers across multiple critical industries.

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 mitigate potential disruption at Balchem production facilities.

- 1. Balchem Travel, Office Employee and Site Visit Restrictions:** Balchem continues to restrict all non-critical business travel and site visits by customers, auditors and suppliers. Our office personnel continue to work from home with minimal disruption.
- 2. Site Prevention Measures:** Several weeks ago, we began implementing COVID-19 prevention measures in alignment with WHO, CDC and OSHA guidance for all employees and visitors at our sites. The measures include requirements such as social distancing, enhanced cleaning protocols, illness notification procedures, and staggered shift schedules to further reduce density.
- 3. U.S. Operations; Inventory Stocks:** Balchem continues to be considered an "essential business", in all states in which we operate. Our supply chain, including inbound supply of key raw materials and outbound delivery of finished products, is functioning normally. We will continue to strategically increase stocks of key raw and finished materials, staging additional inventories of



key products for redundancy of distribution, and building safety stock levels at certain customer locations.

- 4. International Operations; Inventory Stocks:** Our Italy-based production facilities in Marano and Bertinoro, as well our Grimbergen, Belgium plant continue to operate and function uninterrupted at the present time. While we have seen some delays with respect to border crossings, the situation appears to be improving and the transport of raw and finished materials continues throughout Europe. 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. Our plant in Kuala Lumpur, Malaysia also continues to operate normally.
- 5. Continuity of Service and Support:** Our customer service teams continue to service orders and our order entry process is functioning normally. Each of our teams have the ability to continue supporting you virtually.

Balchem's corporate and local leadership continues to monitor this situation and remains committed to keeping you 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