

**Balchem Corporation**  
*COVID-19 Action & Response Plan Update*

June 30, 2020

In this week's update, we have made the decision to delay the start of Phase 1 of our **Phased Return to Offices**, originally scheduled for July 6<sup>th</sup> will now be delayed until August 3<sup>rd</sup>, for all office employees currently working from home.



We have been working very hard to get our offices ready for our employees' return but, unfortunately, several of our preparatory activities have been impacted by vendor-related delays. This delay of the start of Phase 1 of our Return to Offices, will also allow for further monitoring of the evolving COVID-19 pandemic situation. While we are encouraged by the start of re-opening activities around the world and the declining cases in some countries and states where we operate, we are watching closely the regression and increase in cases in other locations. Now, with five weeks before the expected start of Phase 1, we will have more time to assess all of these important aspects of the pandemic as well as any new CDC, WHO, and jurisdictional guidelines to aid in our preparation.

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. 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 non-critical business travel (except for the limited resumption announced previously) and site visits by customers, auditors and suppliers. Our office personnel continue to work from home with minimal disruption. Our limited return to offices is now scheduled to commence on August 3<sup>rd</sup>.
- 2. Site Prevention Measures:** In early March, 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:** 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. The transport of raw and finished materials continues throughout Europe at near normal levels. 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