

Balchem Corporation
COVID-19 Action & Response Plan Update

March 24, 2020

On March 10th we communicated Balchem’s “*COVID-19 Action & Response Plan*” and since that time the situation has continued to evolve at a rapid pace. 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. Despite the global disruption caused by this situation, our manufacturing sites presently continue to operate uninterrupted and our supply chain, including inbound supply of key raw materials and outbound delivery of finished products, is functioning at close to normal.

The following update to Balchem’s *COVID-19 Action & Response Plan* is based upon our assessment of the most critical risk areas to attempt to mitigate any potential production disruption at Balchem production facilities and 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, to ensure the safety of our employees and customers and help contain the spread of the virus. Critical business travel is determined in consultation with Balchem Senior Management. This business travel restriction applies to all Balchem employees. We have also transitioned to a mandatory work from home practice for all Balchem office employees to reduce density and promote social distancing. 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:** Over the past two weeks, multiple states in which we operate have implemented shelter-in-place orders, however, in each case Balchem is considered an “essential business” as a supplier to multiple critical industries. In these geographies, we have issued documents to our employees to ensure that they may continue to commute to work. To date, none of our facilities or our suppliers’ facilities have been 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:** Since March 9, 2020, Italian Officials placed the entire country on “lockdown,” implementing strict limitations on travel within, into and out of the country. Since that time, Italy has continued to expand the scope of its preventative measures, however, the operations at our two Italy-based production facilities in Marano and Bertinoro continue to be considered “*approved work-related activity*” sites and therefore we continue to operate and function uninterrupted at the present time. The approved work-related needs should allow the transport of raw and finished materials to continue 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. As the situation in Italy continues to evolve at a rapid pace, Balchem will keep its customers informed of changes that impact our operations in the country. Additionally, on March 16th, Malaysia announced a two-week lockdown which included a mandatory reduction of on-site employees to 50% of normal staffing levels. Despite this restriction, 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, plant operations may continue 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