

Balchem Corporation
COVID-19 Action & Response Plan Update

August 4, 2020

We have made the decision to delay the start of Phase 1 of our **Phased Return to Offices**, most recently scheduled for August 3rd will now be delayed until October 5th, for all office employees currently working from home.



On June 29th, we communicated that the start of our **Phased Return to Offices** would be delayed to August 3rd. Since that time, the vendor delays we referenced in the announcement have been resolved and our office preparations are nearly complete. In that same communication we also highlighted that the delay would allow us to continue monitoring the evolving COVID-19 pandemic situation. While some of the countries and states where we operate are continuing to see sustained improvement, other parts of the world are experiencing a significant increase in coronavirus cases and a re-implementation of certain restrictions.

While the preventative measures we have in place at our sites have been effective at protecting the health of our employees, the increased density of an office environment brings additional challenges. This two month delay will provide us with additional time to evaluate how infection rates are trending around the world in this constantly evolving situation. The fact that our Company has been able to continue making good progress on our strategic, operational and financial objectives, while our office teams work remotely, gives us the flexibility to extend our work from home status until we are convinced the time is right to return.

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 October 5th.
- 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