

Würth Industrie Service GmbH & Co. KG · Postfach 1873 · 97968 Bad Mergentheim

All Business Partners

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## **Precautionary measures with regard to corona virus**

Dear valued Business Partner,

In recent history, the current situation around the coronavirus COVID-19 is unique and currently leads to many challenges both in the private environment and as a company. Immediately after the outbreak in China became known, Würth Industrie Service gradually activated the pandemic emergency plans and has since then further expanded them through experience and new developments.

We would like to inform you about these measures with this letter. The main objective of these steps is to continuously and comprehensively meet our obligation towards the health of our employees and the supply of our customers.

### **Logistics:**

As a core element of our business activity as a process service provider in C-Parts management, our logistics is a key focus. Therefore, the following measures have already been implemented since week 10 of 2020:

- The logistics processes have been strictly separated. This enables us to provide the smallest possible number of employees for the necessary precautions, such as domestic quarantine, should a confirmed case of infection occur. This means that affected processes can be taken over directly by colleagues on the opposite shift or other logistics employees.

- The shifts were separated in time. Between the end of the early shift and the beginning of the late shift, a 1-hour offset was introduced. During this hour all contact surfaces are disinfected.
- A pool of employees has been defined as a substitute shift, who will step in in case of possible breakdowns.
- All areas are disinfected 4 times a day in addition to the shift change.
- Deliveries as well as outgoing goods are not in direct contact with logistics staff, but are handled neutrally at a cross docking point outside of our premises.
- Truck drivers who pick up and deliver goods fill out a self-disclosure form on risk factors.
- Access to our premises is only permitted to persons registered by name, who have also filled in a self-disclosure form. Access is limited to a maximum.
- Access to the logistics buildings is not permitted for non-logistics employees.
- The supply chains are closely monitored, both for incoming freight and outgoing shipments. We are in continuous communication with the forwarding agencies in order to be able to immediately switch to alternatives in case of possible transport bottlenecks.
- We have stored a large part of the item of our standard goods at different locations in order to be able to deliver these articles from another warehouse in case of special situations in Bad Mergentheim.
- Incoming consignments from risk areas that have been in transit for less than 9 days are placed in a quarantine warehouse for 7 days and are only worked on after this period has expired.

### **Full Service of the supply systems:**

As a process service provider, we take over the full C-Parts management for our customers, including the replenishment of the systems. Due to the high penetration of automated reordering systems such as RFID-Kanban or vending solutions at our customers, the notification of requirements is independent of manual steps and guaranteed in any case. However, due to the current risk situation or individual situations at customers, it is possible that our system administrators may no longer be able to perform this task as usual onsite. This can lead to different scenarios:

- If a system administrator has been active in risk areas, this person is not deployed for at least 14 days. The corresponding tour will be rescheduled to other system administrators.
- In the event that customer restrictions exist for the access of our system administrators to the locations, alternative scenarios are discussed and defined with the customers.

- If full-service support for the systems in our customers' production is no longer possible due to restrictions on the part of our customers or public institutions, we can immediately switch to basic systems, so that the supply of C-Parts is still guaranteed.
- Demand notification for non-automated Kanban systems, which are currently carried out by the system administrators, can be taken over by the customer himself at short notice using an app.

### **Security of supply with regard to our sources of supply:**

- The import quota of Würth Industrie Service from China and South Korea is in the low single-digit percentage range of the total purchasing volume. The number of articles concerned is therefore of a low volume.
- For standard articles, which we procure in China and South Korea, there are additional suppliers outside these countries. This ensures redundancy of supply sources.
- If bottlenecks become apparent for customer-specific articles, we contact our customers to discuss a joint situation-specific solution.
- Our approach to disposition is fundamentally geared towards security of supply. For this reason, we provide for a corresponding average stock level of several months for articles from the Far East.
- The transport chain from Northern Italy remains stable and we are in close and constant contact with our transport service providers.
- All potentially affected suppliers in Northern Italy have been included in a close monitoring process. Each order and delivery is monitored in direct communication with the suppliers. At the present time, we have no information that would indicate an uncertain supply situation across the board.
- Due to the WHO's determination on January 31, 2020 that the novel coronavirus (2019-nCoV) represents a health emergency with international implications ("Public Health Emergency of International Concern, PHEIC"), the current situation must be classified as a case of force majeure (Force Majeur). We are continuing to monitor the situation very closely and, as far as possible, are in close contact with our business partners in the affected regions in order to initiate further measures within the scope of our possibilities in the event that supply bottlenecks nevertheless become apparent.

**General administration:**

- All employees have been continuously informed about the situation regarding the coronavirus since January 27<sup>th</sup>, 2020. Likewise, information and encouragement has been and is being provided on a continuous basis on preventive measures such as hand hygiene, coughing and sneezing etiquette and use of the existing disinfection stations.
- Since the end of February, extensive travel restrictions have been in force for all employees.
- Visits to the site in Bad Mergentheim and major events have not been carried out since the end of February and have been postponed.
- For the use of the company restaurant, a time schedule was already defined in week 10, so that as few employees as possible are in the company restaurant at the same time. This is also separated according to functional areas.
- Since week 9 all areas of the administration are disinfected at least twice a day.
- Since Monday, March 9<sup>th</sup>, more than 90% of the administrative staff have been working in the home office.

As of today, we have no case of an infected employee within Würth Industrie Service GmbH Co KG.

With this letter we hope to be able to give an overview of some of the measures we have implemented.

Should you have any questions, please do not hesitate to contact us at any time.

Best regards,



Martin Jauss

Managing Director Marketing & Sales