



Coronavirus Update

March 9, 2020

Dear Valued Customers,

In an effort to keep you apprised of developments related to the coronavirus and its impact on our business together, we are sending this weekly update.

Covid-19 continues to spread globally and we have begun to see impact domestically over the past week as evidenced by the postponement or cancellation of many tradeshow and new restrictions placed on travel by many suppliers and customers. We continue to carefully monitor and adhere to recommendations from the World Health Organization for the health and safety of our employees, their families and our valued partners.

With regard to our business together, we have not identified any disruptions related to Covid-19 within our global supply network. Please be assured that we have established contingency plans to prepare for potential future supply shortages. We have received a number of questions from our customers over the past two weeks. For your reference, please note the following list of our most frequently asked questions.

- **How will the coronavirus affect your ability to supply customers?** To date, Chroma Color has not missed any customer commitments due to the coronavirus. The senior leadership team reviews the situation weekly and regular updates are distributed to all customers. We will continue to do our utmost to manage daily operations and mitigate any possible impact to your business.
- **Which raw materials are sourced from Asia and Europe?** Chroma Color currently procures certain additives, some dyes and some pigments from China. Our policy is to have multiple sources, in different regions, of key raw materials in order to mitigate risks associated with potential supply disruptions. We do not source any materials from South Korea, Iran, or Italy.
- **What contingency plans are in place and what actions has your team taken to understand the coronavirus' impact to your raw material supply chain?** We remain in daily contact with our supply base and have built larger inventory positions where possible. Many of our key suppliers currently have months' worth of inventory for most raw materials given normal safety stock levels, plus additional stock to cover the normal 4-week shutdown around Chinese New Year.
- **For those raw materials impacted, how is your team addressing the issue?** We are in a managed inventory situation for one dye in particular that impacts a small handful of customers and they have all been notified directly. There are several other dyes on allocation, however these dyes were in short supply prior to the coronavirus outbreak and we were able to plan accordingly. As a result, we have not seen any service disruptions.



- **Are there any raw materials at risk of longer lead times due to the coronavirus?** With the exception of the specific dye noted above, we have not seen any significant disruptions or delays in deliveries from our raw material suppliers.
- **Does Chroma Color have contingency plans should an employee become infected with coronavirus?** We will follow all recommendations published by the CDC and WHO for containment, quarantine and sanitization of work spaces in the instance that an employee becomes infected. In addition, Chroma's business continuity plans include the ability to transfer the vast majority of our product formulas, manufacturing technologies and regulatory compliance between our seven (7) manufacturing sites across five (5) states.

We truly value your business and are committed to keeping you informed of any changes through our weekly updates. In the meantime, please contact your Chroma Color account manager or customer service representative with any questions.

Best regards,

Tom Jaeger

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Chroma Color Corporation