

04/02/2020

## **Outbreak of the coronavirus: at present no impact on procurement in China**

Dear Customer,

due to the outbreak of the coronavirus we would like to inform you if and to what extent there is an impact on our procurement from China that directly influences our product availability. The situation as of 4 February 2020 is as follows:

China's government has extended the Chinese New Year holidays until 2 February. In some regions the date set for resuming production is 9 February. This varies from city to city.

Our procurement and production strategy is such that we can compensate for general supply fluctuations at least temporarily. To ensure this, we regularly assess the procurement risk of our raw materials. The procurement strategy is selected depending on the situation, for example catalogue products, single source, order lead time, supply region.

Against the background of the current situation we have started to assess and adapt our procurement situation and our order behaviour every day.

At present there is no evidence that causes a sustained restriction of the supply for our production sites.

This also means that there is no risk for our product availability for the time being.

However, due to the restrictions on the movement of goods already known today, in particular the cancellation of many flights to and from China, a future impact on our procurement cannot be excluded. We are monitoring the development closely and will update this information as we have new information available.

Please refrain from general enquiries regarding the supply situation because we use our resources to maintain the supply and procurement situation. In addition, we will provide information proactively and in a targeted manner in the event of selective supply shortfalls.