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All business partners

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Bad Mergentheim, 09.02.2021

Precautionary measures regarding security of supply Pandemic

Dear business partners,

I hope this letter reaches you and your families and staff in good health!

As you may have read in the press, there has been an increased incidence of infection in a section of a logistics centre within the Würth Group. With this letter, we would like to inform you that the logistics center of Würth Industrie Service is not affected by this. We do not have an active COVID-19 case at the logistics location Bad Mergentheim. Likewise, there are no restrictions in the supply security of your Kanban deliveries due to this situation.

Below are all the measures that we have had in place since the outbreak of the pandemic and which are continuously being optimised and adapted for your overview and information.

Logistics:

As a core element of our business activities as a process service provider in C-parts management, our logistics is a key focus. For this reason, the following measures have already been in place since the second quarter 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 when a confirmed case of infection occurs. This means that affected processes can be taken over immediately by colleagues on the opposite shift or by other logistics employees.

- The shifts were separated in time. A 30-minute offset was introduced between the end of the early shift and the start of the late shift. During this hour, all contact surfaces are disinfected.
- A pool of employees has been defined as a backup shift to fill in in the event of potential outages.
- All areas are disinfected 4 times a day in addition to the shift change.
- Deliveries as well as outgoing goods are not handled in direct contact with logistics staff, but neutrally at a truck bridge transshipment point.
- Truck drivers who pick up and deliver goods fill out a self-report on risk factors.
- Access to our premises is only permitted to persons registered by name who have also previously completed a self-disclosure form.
- Access to the logistics buildings is not permitted for non-logistics employees.
- The supply chains are closely monitored, both in terms of incoming freight and outgoing shipments. We are in continuous exchange with the forwarding agents in order to be able to switch immediately to alternatives in the event of possible transport bottlenecks.
- We have stored a large part of the articles of our standard goods at different locations in order to be able to deliver these articles from another warehouse in Bad Mergentheim even in special situations.
- Masks are mandatory for all employees at the Bad Mergentheim site.

Full service system support:

As a process service provider, we take over the complete C-parts management for our customers, including the replenishment of the systems. Due to the large penetration of automated reordering systems such as RFID Kanban or dispensing machines at our customers, the notification of requirements is independent of manual steps and guaranteed in every case. Due to the renewed tense risk situation or individual situations at customers, it can always come to the case that our system administrators are no longer able to perform this activity as usual. This can lead to various scenarios:

- In the event that customer restrictions exist on our system administrators' access to the sites, alternative scenarios are discussed and defined with the customers.
- All our system administrators are instructed to observe and comply with all necessary protective measures.
- If a full-service support of the systems in the production of our customers is no longer possible due to restrictions on the part of our customers or the public institutions, we can immediately switch to a basic support, so that the supply of C-parts is still guaranteed.
- Empty messages in non-automated Kanban systems, which are currently made by the system administrators, can be taken over by the customer himself at short notice using an app.

Ensuring the ability to deliver with increasing production numbers

- Due to the high number of automated systems such as RFID Kanban and dispensing machines at our customers, we receive immediate information about where demand arises and to what extent.
- This enables us to support production start-ups at short notice through our availability.
- The employees of our customers can concentrate fully on the core processes, the C-parts supply runs automatically to the relevant extent.
- If we identify special requirements, we actively approach our customers to define additional fillings or alternative scenarios.

Ensuring the ability to deliver with regard to our sources of supply:

- As of today, there are no signals of disruption in the supply chain across the board from our suppliers.
- On the part of our purchasing department, alternative sources are activated for all articles for which this is possible, which have already been defined in advance for this case.
- Should bottlenecks become apparent with articles, we contact our customers in order to discuss a joint situation-related solution.
- Our scheduling approach is fundamentally geared towards security of supply. Therefore, we provide for a corresponding average stocking of several months for articles.
- The transport chains are stable and we do not see any critical situations at the moment.
- Due to the WHO's determination of 31 January 2020 that the novel coronavirus (2019-nCoV) represents a public health emergency of international concern (PHEIC), the current situation is also to be classified as a case of force majeure. We continue to monitor the situation very closely and are in close contact with our business partners in order to initiate further measures within the scope of our possibilities in the event of possible supply bottlenecks.

General Administration:

- All employees have been continuously informed about the situation regarding the coronavirus since 27 January 2020. Likewise, they have been and continue to be informed and encouraged to take preventive measures such as hand hygiene, cough and sneeze etiquette and the use of the existing disinfection stations.
- Extensive travel restrictions have been in place for all employees since the end of February.

- A time allocation was defined for the use of the staff restaurant so that as few employees as possible are in the staff restaurant at the same time. This is also separated according to functional areas.
- Since February 24th 2020, all areas of the administration are disinfected at least 2 times a day.
- Currently, 95% of the administrative staff work from the home office.

We have set up a special section on our website where we provide the latest information on this exceptional situation:

https://www.wuerth-industrie.com/web/de/wuerthindustrie/ueberuns/massnahmen_corona.php

Dear business partners, on behalf of all my colleagues at Würth Industrie Service, I would like to thank you for your loyalty, your partnership of many years and your trust! Should we be able to assist you in any way during this extraordinary time, your contact persons are always available.

The winter months will certainly continue to be marked by challenges. But I am sure that together, as partners, we will emerge stronger from this situation.

I wish you, your families and your employees continued good health!

With kind regards

A handwritten signature in blue ink, appearing to read 'M. Jauss'.

Martin Jauss

Managing Director Marketing & Sales