

COVID-19: Supply Chain Status Update

September 3, 2020

To whom it may concern,

Industrial Decorating Solutions (IDS) is focused on the health and safety of our employees, our business partners, as well as our customers. IDS is committed to protecting the workplace when there is an infectious disease outbreak. We understand the concerns about the Coronavirus (Covid-19) are at the top of everyone's mind, and we want to continue to share information with you during this challenging time.

IDS continues to review both our direct and indirect supply chains throughout the world. We are regularly reviewing our suppliers in the United States, Europe and the Pacific Rim for any anticipated delays in supply due to this extremely fluid situation. While we have seen some increases in reported infection rates throughout the United States, our supply chain remains open and strong. We continue to see extended lead-times and inbound freight issues from overseas, however, the previously identified moderate disruptions to our supply of parts and materials appears to be behind us at this point. We will continue to monitor our suppliers very closely as this situation continues to evolve.

In addition, we have been communicating with key suppliers in detail, both here in the United States and throughout the world, to better understand their secondary supply chains. Currently, we continue to work with suppliers and second tier suppliers that have potential to impact our ability to continue the uninterrupted supply of products to our customers. There have been a few isolated cases of delayed deliveries from a small percentage of our suppliers. To date we have been able to react quickly by incorporating secondary sources of supply should a situation arise. As a precaution, we have increased our orders and inventory of those items most likely affected should this situation worsen.

We will continue to watch this situation as it evolves, and we will continue to map-out and consider alternatives to our existing supply chains in a proactive manner. We are committed to reducing any impact from Covid-19 and communicating to our customers in a timely manner should any issues arise.

Within our factories we are following guidance from the CDC, local authorities, and ITW Corporate. We are limiting all non-essential visitors, have arranged for all those who can work from home to do so immediately, and all workers who must do work in our facilities are employing social distancing practices. We have also increased cleaning and disinfecting efforts, as well as training for our employees on all manners of reducing the impact of Covid-19.

Best Regards,

David Loos

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