

SAMI - SABINSA GROUP RESPONSE TO COVID-19

The world is navigating through uneasy times right now, firstly we hope this note finds you and your loved ones in good health and spirits. Our entire group is continuously assessing the COVID-19 (coronavirus) situation and has measures in place to safeguard the interests and health of our employees and our customers. I would like to personally share with you some of the steps we have taken.

When the World Health Organization (WHO) declared a Public Health Emergency of International Concern, we adopted a multi-tiered approach to deal with the virus starting with establishing preparedness strategies for continuity of operations and clear communication.

Regarding our staff:

- While our manufacturing standards already adhere to the US FDA, FSMA and other international regulatory bodies as part of cGMP compliance, we've reinforced the necessity of effective hand washing practices and good hygiene to all our corporate, R&D, warehouse and manufacturing facilities' staff, worldwide.
- Installation of additional hand washing facilities and implementation of increased sanitation practices are in place as per WHO standards, and the latest release from US FDA, compounding with United States Pharmacopoeia (USP) grade ingredients. We are well stocked with personal protective equipment and antibacterial products.
- Employees are instructed to stay home if they are ill or show symptoms of cold or flu. Regular health checkups are being conducted on an ongoing basis to identify any infections early on to minimize the potential for virus transmission to others.
- The latest updates about COVID-19 are being shared with our employees to keep them well informed.
- Virtual communications are being encouraged to cut down on human-to-human contact internally and externally. Social distancing practices are in force.

To our customers:

- We expect no significant disruption in client services. We remain ready to respond to customer needs via phone, email and where possible by video services. Our manufacturing facilities are operating normally, and at full staff, albeit with heightened health and safety protocols in place.
- We fulfilled our commitments to our farmers last season to acquire several key herbs that meet our standards, most of which were processed to our specifications immediately after harvest, leaving us ample material on hand. We will continue those cultivation and harvesting relationships with the farmers we have worldwide.
- Our advance procurement planning on several other important botanicals, and our probiotic and enzymes, ensures any material required for further processing is always in stock, so we have at least 6 months and in many cases up to one year of inventory.
- A robust database system is in place to identify critical suppliers and their sourcing locations, especially in heavily impacted areas or those with fewer available support resources.

- We are working closely with our vendors and farmers, beyond ensuring continuous supply, to confirm they are following strict hygienic processes throughout.
- Cargo shipments to our global warehouses are currently proceeding uninterrupted, but should that change for any reason, our warehouses across the world are already well stocked with our key ingredients, and shipments to our customers are occurring normally.
- We consistently keep three to four months of finished products stock for supplying customers in all warehouses worldwide. Those locations include three warehouses in the USA (Utah & NJ), two each in Germany, Japan, and Australia (Sydney & Melbourne) and one each in Poland, Canada, China, South Africa, Korea, and Dubai. We are monitoring the stock in these warehouses continuously, along with keeping them hygienic and sanitary at all times.

To summarize, we have not experienced any interruption in our manufacturing and supply chain operations, and foresee no disruptions in our ability to supply ingredients, even with demand increasing as it does in times of crisis.

While we have taken measures to ensure business as usual, the situation remains fluid. One of the challenges is increased uncertainty, which we do our best to remove on our end. You can help, and we can help you, by talking with your sales rep about your ingredient forecasts.

We have full confidence in our abilities to support our customers and each other during these unprecedented and turbulent times. We wish you all good health, stay well, stay immune.

Shaheen Majeed
DIRECTOR