

UPDATE ON THE CURRENT COVID-19 (CORONAVIRUS) SITUATION

The spread of the coronavirus continues to pose unique challenges for the entire world. The vaccination campaigns are making good progress worldwide, and an increasing number of our employees have already been vaccinated. In addition, we continue to make every effort to protect our workforce of approximately 520 employees as best we can. Especially in such turbulent times, it's important to have a reliable partner at your side.

At LAUDA, customers and business partners are our top priority – and it is precisely in this crisis that we are proving this. We would therefore like to inform you about the measures we are taking to ensure continuity of business:

- 1) Crisis team: We have appointed a crisis team, who will convene regularly to review new information, determine cross-functional measures and ensure continuous internal and external communication.
- 2) Processes: We continuously inform our entire workforce on the latest developments via our Intranet, LAUDA.LIVE. We have introduced additional monitoring processes to continuously review the situation, implement the specified measures and deal with any suspected cases of COVID-19. Among other things, this means that in the event of a suspected viral infection, the affected employees and everyone in the company that they have been in contact with are informed and instructed to work from home or self-isolate as a precaution. We will ensure that both internal employees and external contacts are kept informed.
- 3) Internal departmental measures: In order to take all the possible precautions within our control, discussions have been held with all the individual departments of the company, particularly with regard to immediate measures in their daily activities.
- 4) Securing of fundamental business operations: To ensure the continuity of our business operations, all divisions of the company have determined an action plan and named substitutes for the event of multiple employee absences. We have also secured the short and long-term liquidity of the company.
- 5) Employee health: Our employee's wellbeing is our top priority. For this reason, and to slow the spread of the pandemic as best we can, we have asked our employees to work from home wherever possible, and provided them with all the necessary tools to do so (e.g. IT support, hardware, etc.). In addition, we have extended our opening hours with the agreement with our Works Council, and our flexible working hours until 0:00 (midnight).

- 6) In addition, the following decisions will be implemented at LAUDA:
- a. Consistent application of our work safety management scheme with integrated health management, as we have done for several years already.
 - b. All recommendations of the Robert Koch Institute and the local health authorities are available to the departments and our employees are instructed to follow them; this will be monitored by the company management.
 - c. Medical or FFP2 masks must be worn throughout the company premises and these may only be removed at individual work stations, and only when alone in the room or when the minimum distances are observed.
 - d. We offer all employees two free SARS-CoV-2 self-tests per week; these must be completed before starting work and at home.
 - e. A minimum distance of 1.5–2 meters must be maintained between employees and is prescribed (e.g. in the canteen when collecting food and drink, and in meeting rooms).
 - f. Hand sanitizer dispensers have been placed throughout the company premises.
 - g. Trade fair visits and participation in large gatherings are prohibited.
 - h. Foreign travel is only permitted in individual cases approved by the management in cases of particular urgency; foreign visitors are received if they comply with Germany's entry requirements and e.g. present a negative PCR test.
 - i. Employees are also instructed to refrain from private travel to crisis areas abroad, to remain at home as much as possible any time that they are not at work and to limit social contact to a minimum; the Human Resources department is in intensive, ongoing discussions with the departments and divisions about this matter.
 - j. Employees affected by the virus must contact the company management office immediately from home, if:
 - they or another person in their household develop symptoms,
 - a self-test shows a positive result,
 - they have been in a high-risk area according to the definition of the Robert Koch Institute, or live with a person who has,
 - they have any other questions or are unsure what to do.

The telephone number is staffed 24/7 and is answered directly by the managing director for coronavirus issues outside office hours. The latter is in charge of processing measures to combat the coronavirus around the clock in close coordination with the health department and those affected. Private cell phone numbers are available for almost all employees, so that they can be reached by a contact person around the clock or before starting work in the event of an infection.

To secure service provision in our production and logistics divisions, we will implement the following decisions in addition to general measures:

- a. Use of different entrances to the company premises.
- b. Instructions to refrain from interdepartmental contact.
- c. Grouping of employees into zones and reorganization of workplaces, taking into account appropriate safety distances as well as the separation of functions into different areas.
- d. Introduction of additional hygiene measures (e.g. signatures on courier tablets or delivery notes using a personal pen).

- e. Documentation of contact with other people, so that swift, targeted quarantine measures can be taken in the event of infection.
- f. Definition of stand-in personnel with interdisciplinary experience to make up for absences due to sickness or quarantine.

Another important priority for us as a manufacturing company is securing our supply chain to prevent downtime in production. To ensure this, we are communicating closely with our suppliers, who are providing us with updates about affected components and the latest developments on an almost hourly basis. This information is discussed and assessed by the relevant teams every morning, and any necessary measures implemented. All critical items/suppliers and measures are compiled on a central list that is accessible to everyone.

Due to restrictions placed on air and sea freight, as well as customs clearance, we are already experiencing isolated delivery delays that we are doing our best to compensate for. We are not able to predict with certainty the further escalation of such restrictions and associated delays. Therefore, it is not always possible to plan accordingly. For this reason, we recommend submitting any orders and cancellations as early as possible. It goes without saying that we will keep you informed about any delays to the best of our ability.

Please be assured that all our employees are doing their best to offer you the best possible support in these exceptional times. We can be contacted on the usual telephone numbers and email addresses. We would also be happy to advise you via other digital media, such as video conferences.

LAUDA DR. R. WOBSEER GMBH & CO. KG