April 24, 2020

Dear Valued Customer,

As an update of our previous message sent on April 2nd, we confirm you that we have activated our business continuity management plans across our organization in order to cope with the impact of Covid19 crisis and mitigate the associated risks. The purpose of this letter is to provide to our Customers a status as complete as possible, on our operational footprint.

To protect the safety and health of our workforce and ensure social distancing, our first focus in the past weeks was to define and deploy new common EHS rules and adapt the workshops organization in all our manufacturing sites to this unprecedented situation. Implementing rapidly these EHS measures was mandatory to obtain a positive feedback from our employees and create a safe environment to re-start our operations.

As a result, our facilities located in France and Morocco (Champagné, La Ferté Bernard, Marolles-en-Brie, Cluses and Tangiers) were able to re-open in week 14 with a volunteer workforce. Since that date, our production capacity has been gradually increased reaching currently 35% in average. This production ramp-up will continue in the coming weeks within the constraints imposed by local government restrictions and containment obligations. Our objective is to recover a production capacity close to normal in the course of this summer. This plan will rely on a good synchronization between the various Souriau sites including our Indian factory (supplying sub-components) still operating but under local lockdown status decided by Indian administration. With the level of inventories in our French sites, we do not expect major impacts linked to supplies from India in the short term.

Regarding North-America, our Dominican Republic site is functioning in almost normal conditions. Concerning Sunbank facilities, Paso Robles in California is operating at 50% capacity and Tijuana site has been closed last week due to local Mexican government decision. To limit the impact of this shutdown, we have anticipated some shipment of components to Paso Robles sites last week and will collaborate closely with our customers in case of shortage. We expect however, Paso Robles and Tijuana site to return gradually to a usual production capacity before summer period.

Our teams are doing their best efforts to continue to support our Customers business and to minimize the impact on their Supply chain. Due to an important variation in Customers demand as a result of the Covid19 crisis, a complete review of our order book is currently carried out by our logistic teams. Once our projected capacity is consolidated, we will be able to communicate new ship dates towards the end of April. Until this date, only urgent requests can be processed by your CSR contact.

As the Covid19 context may change rapidly, we will continue to carefully monitor the situation and will communicate promptly any updates in our Business Continuity Plan. Your usual sales contact(s) is of course available daily if you have questions or concerns.

We value your business and appreciate your understanding during this global health emergency.

Sincerely,

Patrice Cavelier-Bros
President