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**Sun Chemical Addresses Coronavirus Concerns with Supply Chain Update and Q&A for Customers**

**PARSIPPANY, N.J., U.S.A.** – March 2, 2020 – As the Coronavirus spreads from one region of the world to another, Sun Chemical is conducting diligent inventory analyses of key intermediates, raw materials and finished goods inventories.

To procure several thousand materials on a regular basis and manage each one requires details of on-hand inventories, those that are in-transit and on order, and even customer consumption patterns. Every customer uses different formulas and product lines for varied applications. Sun Chemical continues to monitor each of these product families in order to make sure customers do not experience supply chain disruptions.

“Over these last several weeks, we continue to monitor the extent of the novel Coronavirus (also referred to as COVID-19) around the world,” said Jeffrey Shaw, Chief Supply Chain Officer, Sun Chemical. “The potential supply chain impact of the Coronavirus around the world is vast and unpredictable. Nonetheless, we stay committed to manage our supply chain in a very proactive and comprehensive manner. We continue to monitor the labor situation, the run time of supplier manufacturing sites, the logistics providers for over-the-road, ocean freight and even seaport services in China and other high risk areas around the globe. The situation remains volatile and can change very quickly.

“To this extent, we have made sure our contingency plans are in place and ready to be executed if needed. At this time, we have not experienced inventory issues and remain committed to the service levels we have been known to provide. We have numerous manufacturing sites around the world and are making sure we maintain the flexibility of manufactured volumes in order to meet customer demands.

“Our supply chain control teams are proactively reviewing all levels of data and coordinating with suppliers, manufacturing and commercial teams so that they understand the latest material status. Furthermore, we have personnel stationed in China to manage suppliers and logistics locally. As specific questions about a customer’s material and inventory levels arise, we ask that they please direct those questions to their supply chain contact for a more detailed response.”

Understanding the urgency around the Coronavirus and the supply chain reassurance it requires, Sun Chemical has developed some frequently asked questions with the company’s response to them below.

**Q. Do you source any materials from China or other high risk regions of the world?**

A. With global manufacturing in place, we source materials from all over the world in order to fulfill customer orders. Specific materials are sourced in different areas. For those materials that are sourced in China, we are proactively communicating with suppliers to secure supply. We continue to manage orders with them and make sure the logistics processes are in place to ship on time and avoid a supply disruption.

**Q. Have you assessed the risk of disruption to the Coronavirus outbreak?**

A. As everyone knows, the spread of the Coronavirus is unpredictable and global at this point. We manage risk on a regular basis and have even heightened the awareness as the outbreak continues to spread. We have many sites around the world that service various regions and we are constantly assessing our capabilities and capacities in order to meet customer demands in the event other regions have to stop manufacturing.

**Q. Do you anticipate any disruption to supply or any delay to supply?**

A. At this time, we remain committed to servicing our customers as we have done in the past. The situation can change at any time, so it remains critical that we continue to manage our supply chain in an effective manner. We engage in constant, daily communication with our global supply base.

**Q. What contingency do we have in place if materials are not replenished from China or other regions, or if they are delayed?**

A. We manage inventory on a global basis. If one region or site is at risk compared to others, we are prepared to ship material from one region or site to the other. We have many global sites and managing our supply chain in an optimal manner is a task we perform regularly. In fact, we have already moved supply from higher risk areas to lower risk areas in this way. Monitoring raw material and finished goods inventory levels is critical and performed regularly. We also continue to identify backup suppliers around the world and even qualify other materials in formulas as needed.

**Q. What specific materials do you have that come from China and how much inventory do you have?**

A. We have many different raw materials, intermediates and finished goods that are sourced from all regions in the world. These materials are used in a variety of product lines for a wide range of applications. Commenting on any one material is very difficult to do as it may be used in other product lines and applications.

Nonetheless, we are committed to making sure you have enough inventory in order to continue running your supply chain. Inventory levels are based on consumption patterns so on any one day, it is difficult to commit to a specific number of materials or days on hand for a specific customer. Although, we manage our inventory globally and remain committed to our service levels. For specific questions about your materials, please follow up with your regional supply chain contact.

**About Sun Chemical**

Sun Chemical, a member of the DIC group, is a leading producer of printing inks, coatings and supplies, pigments, polymers, liquid compounds, solid compounds, and application materials. Together with DIC, Sun Chemical has annual sales of more than $7.5 billion and over 20,000 employees supporting customers around the world.

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