SIEGWERK

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Siegwerk LATAM responds to implications from the Coronavirus

The printing ink manufacturer has established a central crisis management team focused on mitigating any disruption of supply to the market caused by the global outbreak.



Siegwerk, one of the leading global providers of printing inks for packaging applications and labels, has moved rapidly to establish a central crisis management team in response to the global outbreak of the Coronavirus (COVID-19). This team manages the risk of disruption of supply to the market caused by the global outbreak which is progressively spreading across Latin America. Given the unpredictable nature of COVID-19 it is not easy to predict the full effect on communities, people and business activities in the near future.

Siegwerk's first priority is to ensure the health and safety of its employees.

Given the role ink manufacturers play as a critical infrastructure industry in the food, beverage, hygiene and pharmaceutical value chain, Siegwerk is committed to the continued supply of its products and services during the COVID-19 outbreak. The company continues to follow guidance from national and international health authorities with respect to preventing the spread of the virus.

"The Siegwerk teams, across the LATAM region, have successfully executed the global production of pandemic guidelines where preventative measures are developed and implemented, with the goal of avoiding interruptions in supply and to ensure business continuity," said Ralf Hildenbrand, President Americas Region for Siegwerk. "The segregation of shifts has occurred at all of our sites, with these measures resulting in a predictable loss of efficiency."

Raw materials continue to be sourced by Siegwerk's procurement and planning teams. Nevertheless, the industry is facing raw material cost increases due to the overwhelming demand for products (such as alcohol), supply shortages due to lockdowns in many countries and unexpected logistic constraints (such as India and South Africa). Additionally, there are risks for supplier force majeure interruptions. Siegwerk is also challenged with rising logistics costs from issues such as harbor delays and the need for more air freight shipments to avoid supply disruptions.

In the coming days, Siegwerk will proactively inform individual customers, in a transparent manner, on the specific cost increases incurred by the company and their impact on sales prices.

A vast majority of the raw materials that Siegwerk LATAM uses in the formulation and production of its inks – and in many cases semi-finished and finished goods -

are imported primarily from Europe, Asia and the US respectively. This is coupled with the substantial, steady and sometimes sharp depreciation in local currencies across the LATAM region. In order to guarantee consistency in quality, reliability and service, Siegwerk's pricing, billing and collection systems must now be referenced to hard currency. The LATAM reference currency is the American dollar.

The LATAM region is a dynamic set of countries with a vibrant future for Siegwerk which is committed to continue its investment in infrastructure, technology transfer and technical competency development to support its many valued customers.

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