

## Status Update COVID 19 – July 2022

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Since the outbreak of the Novel Coronavirus (COVID-19), Endress+Hauser Australia has set up a task force and working groups to respond to the ongoing situation. Our customers and employees are our priority, and we seek to continue to provide service to your business in a safe and consistent manner. The focus of Endress+Hauser is to minimise the impact of the disruption caused by the outbreak to our customers.

The special conditions outlined in this document describe some of the impacts we are seeing, due to disruption of freight services and supply chains, and the measures we are taking to minimise the effects of these. We thank you in advance for bearing with us in this dynamic situation, and we look forward to working with you to ensure that we can mutually address the challenges of these times.

Above all else, we seek to continue being a reliable and safe partner for you, and should you have any concerns, please reach out to your local Endress+Hauser Australia contacts, who are ready and willing to assist you.

Warwick Bardsley  
Managing Director  
Endress+Hauser Australia Pty Ltd

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## Version history

Version	Editor	Comments
0	AH	Initial Release
0.1	SF	Added Gamma section
0.2	SF	Grammar + title + introduction
0.3	SF	Updated Gamma section
0.4	WB	October update
0.5	WB	November update
0.6	WB	July 2021 update
0.7	WB	July 2022 update

# 1 Impact

## 1.1 Production

Endress+Hauser has invested in a distributed network of production for a long time. This was done to provide localised support for the markets that we operate in globally, but also to help in mitigation against natural disasters that might affect production in certain regions.

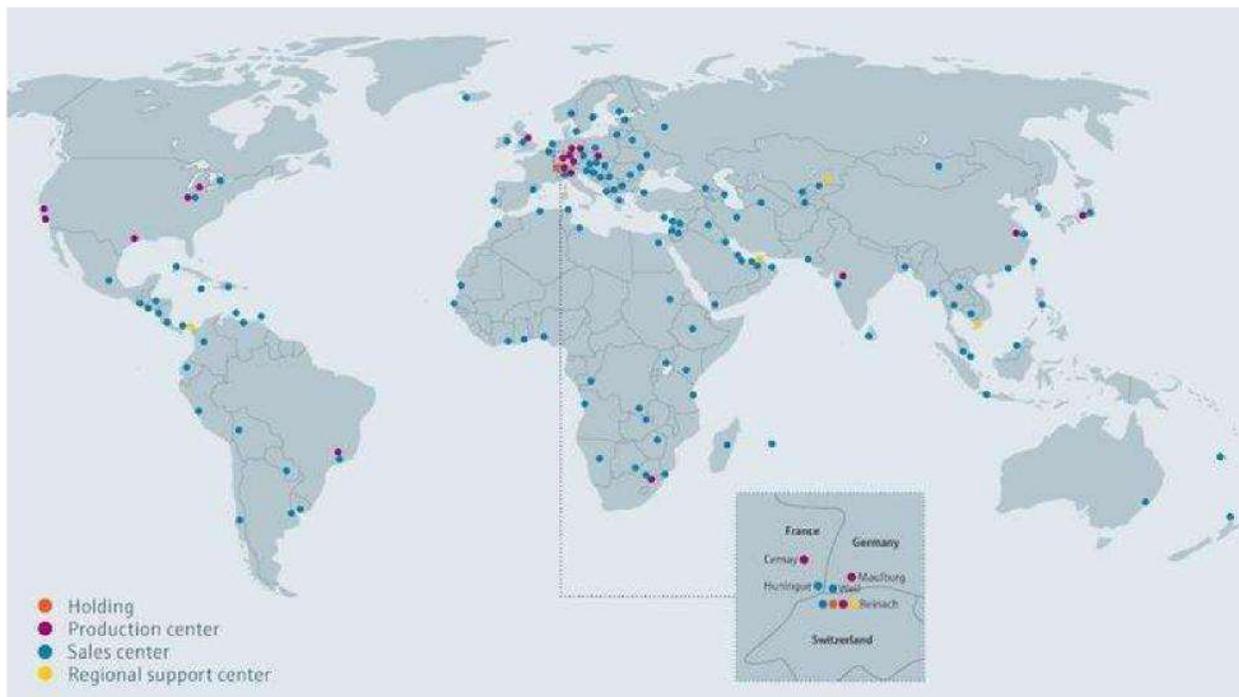


Figure 1: Worldwide Network

The figure above shows that our production is spread over five continents. The COVID-19 outbreak is unique to other natural disasters, in that the effect of the virus outbreak has spread globally. This has put global supply chains under stress due to absenteeism, and unanticipated surges in demand. The issue is also compounded by the reduction of commercial air transportation, which was also a major channel for air freight.

### 1.1.1 Current Situation

We are pleased to advise, that today, all of our production centers are operating at full capacity. We have been able to introduce Safe working policies and procedures at our plants and have managed to keep them open during the crisis as we are a Manufacturer to essential services such as Power, Water, Food & Beverage, and the Life Science sector. We continue to encourage Vaccinations, and have also implemented Vaccination services for staff at many facilities.

We continue to be flexible and follow all Government guidelines and directives. Currently we are able to travel, visit our Customers as long as we adhere to site requirements. The aim of Endress+Hauser is to remain able to produce and deliver Process Instrumentation and Services, even if there are some longer lead times of some items, and Logistical challenges.

## **1.2 Logistics Channels**

Due to reduction in cubic capacity of air freight globally, Sea Freight transferring to Air, disruptions in Europe due the war in the Ukraine, aircraft groundings, operational restrictions, there is an effect on freight lead times, and costs. Where possible Endress+Hauser Australia is utilising production centers with the most secure freight channels. However, maintaining lead times for products can be challenging. Now in July we are experiencing more consistent freight performance, but things can change quickly and we are constantly monitoring the situation.

Endress+Hauser Australia keeps our customers as up to date as possible on all delivery lead times as they change. However, due to the circumstances, note that any delivery times quoted are estimates only and should be re-confirmed at placement of order, and still may be subject to change due to the ever-evolving situation.

### **1.2.1 Radioactive Sources and Containers**

Flights to Australia bearing radioactive material and dangerous goods are very limited and as a result we are experiencing major disruptions in the logistics of radioactive material and extreme fluctuations in costs. The freight component allowed for in E+H quotations are based on freight costs at the time of quoting. Should freight costs fluctuate more than 3% E+H reserves the right to adjust the quoted price accordingly, and work with our customers to achieve the most cost-effective outcome. We now have options to supply Sources locally for smaller quantities, to vastly reduce lead times.

### **1.2.2 Component Shortages**

We are seeing some critical component shortages in our Supply chain, with the effect on resin pellet colour supply, Electronic component delay or non-availability, and the generally unpredictability of supply. We have increased our safety stocks dramatically and are delivering some products with different base colours and extending lead times where there is no alternative. To date the effect has been limited to two product lines, but this may expand depending on the Global supply situation.

We will keep you informed of any supply issues during the Quotation and/or Ordering process, if products become unavailable, we will contact you and suggest an alternative.

### **1.3 Pricing & Exchange Rate**

The Australian Dollar's movement against major currencies has stabilised at this time. We continue to monitor the situation and will only change Pricing on exchange rate variance when the currency involved moves 3% in either direction. This should provide a more stable environment of pricing.

We continue to do the following:

- All quotes provided are subject to exchange rate variations. Unfortunately, Endress+Hauser is not able to provide a fixed pricing against exchange rate in AUD. We aim to limit this effect by holding prices steady as long as the exchange rate stays within 3% of the quoted exchange rate. Any fluctuations beyond 3% will require the invoice value to be adjusted accordingly.
- For projects, we can also provide quotes in EUR currency if required. We believe this option will provide some additional stability in price, especially for longer term Projects.
- Due to the situation, Endress+Hauser Australia will be limiting the validity of all proposals to 30 days from date of quote. As global supply chains are impacted – we may experience fluctuations in raw material pricing, especially steel and freight pricing. In such circumstances, Endress+Hauser reserves the right to vary the pricing as soon as it becomes aware of a material price change.

### **1.4 Factory and Site Services**

In line with the Australian, and State Government recommendations, Endress+Hauser Australia seeks to limit the chance of transmission of the COVID-19 virus. This includes the use of social and personnel distancing and mask wearing where appropriate.

Endress+Hauser Australia continue to provide commissioning and site services as requested by our customers. Mobilisation and demobilisation costs will be dependent on the factors at the time of service requirement and subject to any Government restrictions that might be in place at the time of a service attendance, including the need to comply with changing requirements after the work has commenced, e.g. an immediate lock down.

## **2 Measures**

Endress+Hauser in Australia and globally has placed several measures in place to try and limit the effect of this global pandemic on our customers. We are also encouraging our Employees to take up Vaccinations where available.

## 2.1 Production Stock

- The production facilities have expanded safety stock of critical components for ongoing production

## 2.2 Local Stock

- Endress+Hauser has for many years, maintained stock in Australia to support our customers here
- We have ramped up our diligence with respect to reviewing stocked products and stock levels

## 2.3 Service

- Our Service personnel have been issued with additional PPE
- Endress+Hauser has put our Service personnel through briefings on social distancing and hygiene, to ensure that the importance of this issue is understood. Similarly, it is an expectation that in the case of emergency on-site support from our Service engineers, the need for social distancing and additional measures will also be enforced and supported by our customers on site.
- We will follow any site rules and regulations as required, in addition to our own procedures.

## 2.4 Online Support

- With a personal [endress.com](https://endress.com) account our customers can track deliveries, get prices and delivery times and order products.
- Technical information, drawings, documents etc. can be downloaded from [endress.com](https://endress.com) at any time.
- With Smart Support, we support customers online with service issues.
- Our Visual Support app enables audio and video communication via mobile and stationary devices for service cases.
- Our preferred remote virtual presence software Microsoft Teams. We also work with Goto, Teams and Cisco.

## 2.5 General Measures

- We comply with any local regulatory advice and recommendations.
- Many of our Staff are currently working from home
- Endress+Hauser maintains an extensive IT infrastructure supported and designed by our internal organisation – InfoServe. This infrastructure allows all customer facing Employees full access to our Business Systems remotely, allowing us to maintain contact and respond to enquiries, even as local quarantines/lockdown are enacted.