

COMMUNIQUE

TeraPlast Group implemented preventive measures against the influence of COVID-19 on the activity and employees of the Group's companies

03/13/2020

TeraPlast Group, the largest Romanian manufacturer of building materials, is notifying all capital market stakeholders on the measures taken up to the present time in order to prevent the influence of COVID-19 on the current activity of the Group's companies and their employees.

The Group management adopted a calm attitude regarding this situation and has been implementing for the past two weeks strong protection and prevention measures against the spread of COVID-19 in accordance with the information and recommendations provided by the competent authorities. At the same time, the TeraPlast Group representatives ensure a permanent dialogue with said authorities for the follow-up and update of the measures required by the developments of the current situation.

At this time, Bistrița-Năsăud and Prahova counties are not known to have any infections with the new virus. All the Group manufacturing units are operating within the budgeted parameters and there are not significant variations in the market demand.

The main additional risks identified at this time are aimed at the continuity of the supply with raw materials and the personnel availability.

The Group is in permanent contact with its main suppliers, some of which are located in the North of Italy, and is constantly receiving the same message, namely that their production is in operation and that there are no reasons for concern. As an additional assurance, the Group placed orders with alternative raw material suppliers, in order to be sure that it will not experience any supply shortages.

Moreover, the group is in permanent contact with its customers in and outside of Romania and has no indication according to which, on very short term (the first quarter of 2020), the demand for TeraPlast Group products could be significantly affected.

All the Group companies have Business Continuity Plans, which have been updated in order to address the current situation. Furthermore, an Analysis Committee was created in order to monitor the developments and implement new measures, if required.

The measures taken throughout the last two weeks and until today, March 13th, 2020, within the TeraPlast Group, include the following:

- An expansion of the list of positions which, due to the nature of the activity and the corresponding equipment, may perform their activity in a home-office system, if necessary. At the same time, the Group supports the colleagues that have children at home and provides them with the possibility of conducting their activity from home. Concurrently, all colleagues that show symptoms of respiratory infections will undergo a medical examination and, if their activity allows it, will conduct their activity from home.
- The training of the entire staff for the mandatory hygiene, protection and prevention measures in the workplace. Concurrently, information on the protection and prevention procedures were displayed and materials for disinfection and increased protection were provided to the employees, in all the premises of the TeraPlast Group companies. The exposed surfaces in the workspaces are disinfected rigorously and regularly.
- There have been urged procedures to avoid crowding of personnel by limiting the use of common spaces (dining rooms, changing rooms etc.), to disinfect personnel transport vehicles after each journey and to pick up shifts staff from different locations. The transportation of employees to and from the workplace is done privately.
- Limiting the interaction of the of the Group companies' employees with external personnel and implementing a procedure of interaction between the external personnel and Group's employees (eg. cargo loading / unloading). Additional hygiene measures have been made available for external personnel interacting with the Group during this period.
- Use of online, teleconferencing, or telephony systems for the interaction of the Group's personnel with third parties (collaborators, suppliers, customers etc.)
- Prioritizing the production capacities and training the production personnel according to the operating plan under the given conditions. At the same time, optimal management measures for the purchase of raw materials, auxiliaries and stock management are implemented.

These measures are valid throughout March. Moreover, the Analysis Commission meets daily to monitor and analyse the existing situations at the level of the TeraPlast Group, imposing new decisions if necessary, taking into account the situation at the time of the meeting, the official information from the authorities, as well as the status of implementation of the measures in force. In view of the geographical layout of the units of the TeraPlast Group, the Commission also analyses at local level the evolution of COVID-19 for each location where the activity is carried out, the availability of raw / auxiliary materials, the supply of utilities, the situation of orders etc.

Currently, the TeraPlast Group operates under normal parameters, and the Group's business has not been affected so far by the evolution of the COVID-19. The priorities during this period are the fulfilment of the budget even under the given conditions.

For this, the Group gives priority to the cooperation with authorities and to the application of all necessary measures for the safety of the employees and for the business continuity. The action plan for business continuity takes into account high risk scenarios, promotes and assumes a prudent and responsible attitude.

The TeraPlast Group assures its shareholders, investors and all other stakeholders that the Group management has a responsible attitude, based on concrete information, not on rumours or panic at this time.

TeraPlast Group monitors the evolution of the situation caused by COVID-19 and is prepared to impose additional measures if necessary.

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