

U.I. Lapp GmbH · Schulze-Delitzsch-Straße 25 · 70565 Stuttgart

To our valued Business Partner

01.03.2022

Information regarding Ukraine / Russia

Dear Business Partner,

We are following the invasion of Ukraine by Russian forces with shock and great concern. Firstly, our thoughts and actions are with the Ukrainian people: We are focused on doing everything we can for the health and safety of our Ukrainian employees and their families. Therefore, we are in close contact with the managing team of our LAPP Ukraine sales subsidiary. At the moment, we are trying to utilize our logistics network to deliver first aid equipment to the company. The company is closed, and all employees are exempt from work.

Secondly, we are focused on the effects on our supply chain regarding both the war in Ukraine and sanctions against Russia, that we will of course fully support. While the situation is highly dynamic, this is what we can state today.

Directly, our supply chain is not affected:

- LAPP has no product suppliers in Ukraine and Russia
- LAPP has no raw material suppliers in Ukraine and Russia

Indirectly, effects could occur:

- Today, we cannot estimate how strongly our suppliers are dependent on PVC and other raw materials from Ukraine and Russia – this will only become clear in the next 10-14 days

- Russia is a major producer of aluminum, and due to sanctions, we must expect price increases & bottlenecks here
- In Europe, we expect bottlenecks in the area of transportation, as numerous truck drivers originate from Ukraine and now have to return to their homeland
- Regarding transports from Asia, we are mitigating the risk of rail transports through Russia by switching all rail transports to sea. This might result in longer lead times for certain products, but no bottlenecks will occur.

We are confident that we'll be able to navigate this challenging situation jointly together with you. Please contact your responsible sales representative if you have any further questions. However, please understand that detailed predictions on the indirect effects are still very difficult to make at the time.

Kind regards



Matthias Lapp
Member of the Board & CEO LA EMEA