

March 11, 2020

To our valued customers:

As a privately owned company, we understand the need to keep costs down while operating efficiently. We constantly search for ways to maximize the value our service provides.

The Coronavirus disease outbreak (COVID-19) is affecting our day to day business operations in several ways. Supply shortages first started to come in on N-95 disposable respirators. While we have these in stock, we are being told anywhere from one to two months for new orders to arrive. Respirator manufacturers in the U.S. are increasing production and putting on additional manpower to try and meet demand. Many of the products in the safety realm have ties to overseas manufacturers. Slowdowns and even shutdowns of facilities in those countries have forced many of our suppliers to ration out quantities when we place orders, or cancel them altogether. Mainly we are seeing issues with hair nets, beard nets, and some types of disposable glove products. We are also starting to see these issues spread to delays in re-stocking other products as well such as certain types of work gloves and even traffic control products. As this outbreak progresses, we will likely see delays and availability issues in other product lines. We are diligently working to source inventory on a daily basis to keep our customers supplied with the items that they require. We have already seen increased lead times in product delivery and expect this to worsen as stock levels at our suppliers become exhausted. In addition to these factors, many of our suppliers have increased prices and suspended any discounts we may have been getting by buying in bulk quantities. We are doing our best at the current moment to absorb these price increases, but if our costs continue to rise, a slight increase may have to be passed on to our customers.

At The Safety Group, we strive to provide the best service and products at a reasonable cost. We also strive to maintain the level of professional service you have come to expect, thus, our basis for communicating this information.

We value your business and look forward to continued opportunities to meet your Safety, First Aid, and Janitorial needs.

Sincerely,



Jay W. Schwall

Manager