

## Haemonetics statement on business continuity in response to COVID-19: March 14, 2020

Haemonetics has been closely monitoring the ongoing COVID-19 global pandemic, including guidance from the Centers for Disease Control (CDC), the World Health Organization (WHO), the European Centre for Disease Prevention and Control (ECDC) and regional health authorities. As a global medical technology company, our first concern is the health and safety of our stakeholders worldwide, including the patients and donors who rely on our products, our customers and our employees. We will continue to do our part to help address the effects of this evolving health crisis and are taking measures to secure business continuity for all who depend on us.

We are closely watching these events, including product demand and supply levels across our global network, to ensure adequate and effective distribution to meet our customer needs. We have robust business continuity plans in place and do not expect to see an immediate impact from the COVID-19 outbreak on the availability of our products. Our teams are working very hard to respond to our customers' needs in this challenging environment. Our products are in high demand and we are doing everything we can to help our customers meet their needs.

Haemonetics will continue to take steps to provide the highest level of service and business continuity for our customers and to protect the health and safety of our employees.

### Haemonetics FAQ: March 14, 2020

#### **What is the current impact to Haemonetics' commercial customers?**

Despite this unpredictable environment, we continue to see strong customer demand for our products worldwide. We understand that our customers are taking measures to adapt to the changing healthcare landscape as a result of COVID-19 and we are closely monitoring this dynamic situation. We remain confident that the underlying need for plasma and blood products will continue and that our hospital products will continue to play an important role in critical areas of care such as cardiology, cardiac surgery and trauma. Additionally, according to [AABB](#) there are no documented or alleged transmissions by blood.

#### **Plasma**

The underlying demand for plasma-derived therapies remains strong. Despite the rapidly changing situation with COVID-19, patients are in constant need of these necessary drugs. The U.S. remains the primary source of plasma collection and represents more than 90% of Haemonetics' commercial plasma revenues. We have ample inventory levels of all disposables to meet our delivery obligations, and we are working on appropriate contingency plans, should the need arise. We remain in close dialog with our customers who remain focused on collecting plasma as usual while taking appropriate steps to adequately protect both their employees and their donors.

Additionally, the [PPTA](#) has stated that the outbreak is not a concern for the safety of plasma protein therapies manufactured by PPTA member companies.

#### **Blood Center**

We have been in close contact with our customers all over the world, including some of the more impacted areas like China, South Korea, Japan and Italy, and we are encouraged by the resilience of the donor population and their commitment to donating. We had different responses among our

customers, including an initial drop in donations in a handful of highly impacted areas, followed by a broader response trying to ramp up blood collections in order to meet local demand.

We continue to support our customers in ensuring our technology is operating seamlessly and offer our customers any training support they may need in order to ensure they are well positioned to respond to their blood needs.

## **Hospital**

About half our Hospital business revenue is in North America, with a heavy concentration in the U.S. across a series of largely non-elective procedures. One of the primary aims of our Hospital product portfolio is in helping to determine whether or not a patient needs any blood products and, if so, to help determine that this patient receives the right blood product at the right time in the right quantity. The business consists of three product lines: Hemostasis Management, Cell Salvage and Transfusion Management.

Hemostasis Management accounts for about half of our business and is primarily used in clinical segments such as cardiovascular surgery, trauma, obstetrics and liver transplant. We believe that over 80% of the aggregate procedures in these segments are not elective by nature and typically cannot be postponed for extended periods of time. Cell Salvage products are primarily used in cardiovascular surgery, which is not an elective procedure. Transfusion Management allows hospitals to improve their blood management practices and, as such, will continue to play a key role in Hospitals' blood inventory management.

## **Has Haemonetics' Global Manufacturing and Supply Chain been impacted by COVID-19?**

All of our plants worldwide are open and operating. We are taking the necessary steps to protect the health and safety of our employees by maintaining and enhancing safety precautions and protocols. We do not expect to see an immediate impact from COVID-19 on the availability of any of our products. Our supply chain teams are actively engaged with our contract manufacturers and suppliers to evaluate possible downstream impact to our products and supply chain and are developing alternative solutions for impacted materials if the COVID-19 situation persists.

## **Does Haemonetics have any manufacturing facilities in China or any of the impacted areas?**

Haemonetics does not have any manufacturing facilities in China or the Center for Disease Control and Prevention (CDC) level 2 and 3 impacted areas. Haemonetics has external manufacturing partners who source some raw materials from these areas. There has not been an impact to their ability to supply Haemonetics to date as they maintain sufficient stock for the current situation. We are in contact with our suppliers as they continue to work on their business continuity plans to mitigate any potential impact from their component or raw material suppliers.

## **What is Haemonetics doing to prevent disruptions to supply chain?**

We are actively engaging with our supply base to evaluate safety stock levels to ensure there is no disruption to customers. We have multiple distribution centers that are in communication with each other as this situation continues to progress. We continue to work closely with our transportation and logistics teams and partners to ensure there is a continued stream of products to our customers.

## **Does the recent ban on travel from Europe to the U.S. impact Haemonetics' supply chain?**

The ban pertains to travelers, and cargo transport is still permitted between the U.S. and Europe. As a result, we have taken action to reroute our goods to cargo shipments and do not anticipate a disruption at this time.

**How has Haemonetics addressed its workforce?**

Our employees continue to work including our plants and distribution, field service, sales, R&D and commercial teams, as well as our other global functions. We recently issued guidelines to our employees on our ways of working based on COVID-19. We made a decision to suspend domestic and international travel, move to virtual meetings internally and externally, and urge all employees that can work remotely to do so unless deemed critical to direct support of our customers. We have discontinued visits to our sites and plants as a precautionary measure. If visitors or in-person meetings are deemed business critical, we have a process in place to evaluate the need and gain necessary approvals to ensure employee, partner and visitor safety. In addition, we have deep cleaned our labs, which are housed in a negative pressure, self-ventilated environment, so that we can continue to advance our critical R&D projects. We will be closely monitoring recommendations from local and global health authorities such as the CDC, WHO and ECDC and continue to support practices that ensure business continuity and safe workspaces.

**Are Haemonetics' manufacturing facilities impacted by the current policies? What enhanced safety protocols is Haemonetics taking at the plants?**

Our plants are currently operational with enhanced protocols for safety and business continuity in place. We are operating with an abundance of caution as we prioritize the safety of our employees and our ability to continue to serve our customers. Our policy of suspending visitors extends to manufacturing sites and we have a process to evaluate the need for any business-critical visits.

**How is Haemonetics supporting its customers?**

Haemonetics is committed to supporting the healthcare providers, donors and patients who depend on us every day, while maintaining the appropriate safety precautions and protocols. We are postponing external meetings and will also adhere to our customers' policies and procedures when it comes to face to face meetings or facility or hospital visits. If business critical needs arise, Haemonetics will work closely with our customers and take the appropriate steps to support.

**How are service calls handled in high impact areas as designated by the CDC?**

Haemonetics is following recommendations made by health authorities such as CDC, WHO, ECDC and regional governments and limiting travel within and to these highly-impacted regions as dictated by authorities. We are taking an abundance of caution to protect our employees and those they service. Service requests are being evaluated on a case-by-case basis to ensure the safety of all parties involved. We are committed to supporting our customers and must be adaptable to the evolving situation.

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