



Bates Office Services
Unit A1-A4
Knights Park Ind. Estate
Rochester
Kent
ME2 2LS

11th March 2020

RE: Business Strategy Regarding COVID-19 (Coronavirus)

Dear Customer,

As you are all well aware, over the last few weeks the UK and the rest of the world has been hit by a strand of the Coronavirus, COVID-19. With the cases of COVID-19 increasing day-on-day and the drastic steps of the Italian government, Bates Office are taking direct measures to ensure the welfare of our staff and customers and are now planning for all eventualities.

Bates is following government and Public Health England's (PHE) guidelines on the best practice in these unprecedented times. The Board and senior management are monitoring the situation closely and are putting the appropriate planning in place to ensure that we are well prepared for any action our government, or that Bates, may have to take.

We understand that our customers may be concerned around our level of supply and service in the wake of the spread of COVID-19. Bates has a stringent and robust contingency plan to ensure that we mitigate disruption for our customers. Internally, we are preparing for all known possibilities including worst-case scenarios both in the short and longer term. In these uncertain circumstances, we will all need to work collaboratively and with understanding.

We are currently working with our supply chain to ascertain the likelihood of disruption in supply over the upcoming weeks and beyond. As an independent dealer, we have the benefit of having a large supplier base and as such, we can source supply from suppliers across the UK and EU. This allows us to work flexibly should any part of our supply chain be negatively impacted by COVID-19. For instance, we have currently changed to a UK-based furniture component supplier as previously we received these from Italy. We are working on a day-by-day basis with our Board of Directors closely monitoring developments.

For an independent dealer, Bates holds a significant amount of stock across three of our distribution hubs around the UK – Kent, Crewe and Bridgend. To ensure continuity of supply, we are putting in measures to prolong our stock level holding from four weeks to 12. This will ensure that our fastest moving products are in stock for an extended period of time. In some cases, should aspects of our supply chain be negatively impacted by the spread of COVID-19, we will have to source products elsewhere. This could lead to sourcing a different brand of products than usual. Your account manager will notify you of any changes and seek approval beforehand.

At present, we are experiencing stock shortages on a number of popular, reactive products lines. This primarily includes anti-bacterial hand sanitisers and face masks due to the global reaction to COVID-19. Our lead times on these items are, therefore, slightly prolonged as we source stock.

Our wholesalers and suppliers deliver goods into one of our three hubs across the UK for distribution via own van. Should it not be possible for our partners to deliver goods into our hubs, we have plans in place to utilise our own vans to collect goods directly from the wholesalers/suppliers. On the contrary, if our operations are not able to make deliveries, we have agreed that our wholesalers/suppliers will deliver to our customers direct. If this is not possible, we will utilise audited third-party couriers to carry our deliveries on our behalf. This ensures that we can keep a 'business-as-usual' supply for our customers.

Following government and PHE's guidance, we have advised staff to follow Foreign Office recommendations regarding travel and self-isolation should they have visited Category One countries or show symptoms of COVID-19. We are fortunate that many of our office-based staff can work remotely. If we have significant staff shortages, or need to close offices, key members of staff can work from home and be contactable on their mobiles and via email. Should this be the case, we would recommend that customers contact their dedicated account manager. Please ensure that you have your account managers up to date contact details.

It is difficult to gauge the extent of disruption and how quickly this will take hold. Throughout this period, Bates will be as transparent as possible with our customers regarding any change in circumstance including interruption in supply and the action we are taking to mitigate risk to our customers. We will do our utmost to ensure that all our customers are serviced to the best of our ability throughout this unstable period.

Do let us know if you have any questions.

Kind Regards,

A handwritten signature in black ink, appearing to read 'Michael Edmonds', written over a light grey rectangular background.

Michael Edmonds
Managing Director