

# Business Continuity Impact Notice: Russia – Ukraine Conflict

Riverside, Calif., March 1, 2022

Dear Valued Customers of Bourns,

We view the developments in Ukraine with grave concern and welcome all efforts to resolve the conflict. This letter is to inform you regarding the possible impact on the Bourns group of companies to supply Bourns products to our customers due to developments in Ukraine.

## **Regulatory Impact:**

We are reviewing sanctions imposed by many countries including the United States, the European Union, the United Kingdom, Australia, and Japan targeting Russia, the Ukrainian regions of Donetsk and Luhansk, and Belarus. We are evaluating these sanctions and taking actions, as appropriate, to continue to comply with applicable regulations as such regulations evolve.

## **Supply Chain Impact:**

Bourns itself does not have any manufacturing facilities located in Russia, Ukraine, or Belarus. Bourns does not have any direct suppliers in Russia, Ukraine, or Belarus.

Bourns initiated a survey of its indirect supply chain for sub-suppliers who may be affected. The initial responses indicate that the vast majority of our sub-suppliers do not source directly raw materials or components from Russia, Ukraine, or Belarus. We will continue to monitor the situation closely and will endeavor to inform you promptly.

Bourns anticipates however that the global supply chain, already strained by the COVID pandemic, will become further stressed by unavailable shipping routes, rising energy costs, and any prolonged reduction on the global market of certain commodities, including but not limited to Palladium (Pd) and certain Noble gases. We also expect rising oil and gas prices to impact the cost of resins derived from them.

In late 2021 the Bourns Bedford, UK location took steps to mitigate possible Helium and Helium/Argon mixture shortages as global market dislocation was already anticipated before the Russia – the Ukraine conflict. Based on the current demand, the commitment and allocation that Bourns Bedford, UK has secured from its supplier, and the buffer stock created, should be sufficient to maintain wafer fab production-related processes that require these gases for 2022.

Should any of our suppliers inform us of any further changes to their supply chain or require price increases due to the ongoing conflict and/or imposed sanctions, that could impact the Bourns group of companies' production immediately or in the longer term, we will escalate this to our customers promptly. This letter represents our best and current knowledge of the situation. However, this letter is not a warranty or guarantee of any kind. If the situation changes, we will take steps to mitigate and inform you accordingly.

Yours truly,

**James Harrington**

Bourns, Inc.

*Senior Vice President, Worldwide Sales*