



Information Release

Mirachem, LLC

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12-Mar-2020 Release

26-Aug-2020 Revised

Mirachem Update - SARS-CoV-2 Coronavirus Disease (COVID-19) Response



Approved for Release to: All Mirachem Customers, business contacts, and team members

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Like the rest of humanity, all of us at Mirachem have watched with concern as an unprecedented worldwide event unfolds, the COVID-19 pandemic. Given recent developments in the US, we have prepared this information release to update our customers and business partners on the status of Mirachem's operations and our response to this event.

CURRENT STATUS

Mirachem remains fully operational and capable of fulfilling all of our customer and business obligations.

As required by our pandemic response and infectious disease control plans, Mirachem has implemented measures to mitigate the spread of respiratory infections. While our business remains fully mission capable, these response measures have impacted our overall efficiency and we have added days to what had been our customary order processing and fulfillment timelines.

From our headquarters facility in Phoenix, AZ, our Safety & Security Management Team continues to monitor the COVID-19 situation. Published metrics for areas surrounding our facilities show dramatic improvements in COVID activity over the last 30 days. A multidisciplinary risk analysis was conducted by our SAFE Team on 25-Aug-2020 and found that Mirachem continues to operate at a high level of efficiency and continues to meet customer requirements under full pandemic response protocols. It was concluded that Mirachem will continue operating under business continuity and infection control plans pending further evolution of the situation.

BUSINESS CONTINUITY

Mirachem has a formal Business Continuity Plan (BCP) that is integrated with our Quality Management System (QMS) and other key policies and procedures. Our BCP is periodically reviewed and audited as part of routine management operations and is up to date to guide our response to the COVID-19 outbreak.

Mirachem's BCP was activated on 16-Mar-2020 and will remain active for the foreseeable future. Mirachem has also supplemented its BCP with a formal Infectious Disease Control and Pandemic Response Plan to support ongoing COVID-19 mitigation and response activities.

HISTORICAL DEVELOPMENTS

Our Safety & Security Management Team initiated daily risk analysis on the COVID-19 pandemic situation on 12-Mar-2020.

Mirachem's operations are categorized as Critical Infrastructure. This designation is based on US Federal determinations pursuant to [Presidential Policy Directive 21 \(PPD-21\): Critical Infrastructure Security and Resilience](#), "a measure intended to advance a national policy to strengthen and maintain secure, functioning, and resilient critical infrastructure", as clarified by the 19-Mar-2020 [DHS Announcement: CISA Releases Guidance on Essential Critical Infrastructure Workers During COVID-19](#). In response to the US national emergency declaration of 1-Mar-2020, Mirachem positioned itself to operate according to the demands of the Critical Infrastructure designation.

On 11-Mar-2020, the State of Arizona declared a Public Health Emergency which remains in effect. Governor Doug Ducey's 31-Mar-2020 [Executive Order 2020-18](#) instituted a "Stay home, Stay healthy, Stay connected" policy, largely "closing" the state. This order was extended with modifications through 15-May-2020 by [Executive Order 2020-33](#) issued on 29-Apr-2020, since expired on 15-May-2020. Mirachem continued operations throughout this period as an Essential Activity under Sections xv and xxi of [Executive Order 2020-12](#) of 23-Mar-2020, Prohibiting the Closure of Essential Services.

With the implementation of the Defense Production Act (DPA) by the US Government on 18-Mar-2020, and in the spirit of the national mobilization the law was intended to bring about, Mirachem further organized its business to ensure continuing operations throughout the national and worldwide emergency. Company resources have been, and will continue to be, prioritized to meet any DPA or Critical Infrastructure need.

On 16-May-2020, Governor Ducey issued [Executive Order 2020-36](#) rescinding orders 2020-18 and 2020-33 and substantially "re-opening" Arizona for business. EO 2020-36 also mandated that all businesses in the state develop and implement social distancing, hygiene, monitoring, and personal protective practices. This order was followed on 18-Jun by [Executive Order 2020-40](#) authorizing local jurisdictions to implement COVID-19 mitigation policies, leading to the adoption on 20-Jun and 19-Jun-2020 respectively by Maricopa County and the City of Phoenix, Arizona of mandatory face covering regulations.

Based on a continuing upward trend in COVID-19 infections and hospitalization, Governor Ducey issued [Executive Order 2020-43](#) effective 29-June through 27-Jul-2020 and extended by [Executive Order 2020-52](#) prohibiting most gatherings of more than 50 people and placing limits on some other public activity, closing some business such as indoor theaters and gyms, and authorizing police and regulatory agencies to enforce state and local COVID-19 restrictions.

On 10-Aug-2020, the Arizona Department of Health Services (ADHS) established new [metrics](#) and [guidelines](#) to be used in making data-driven determinations on the easing of COVID-19 restrictions. It is anticipated that on 27-Aug-2020, Arizona's most-populous counties, including the metro Phoenix area, will progress to the next phase of safely resuming business operations.

CONTAINMENT ACTIONS

Based on best practices for infectious disease control and guidance from government authorities, Mirachem has taken the following actions to help contain the spread of the COVID-19 virus:

1. Added a formal Infectious Disease Control and Pandemic Response Plan to our business continuity measures
2. Implemented ongoing reviewed and communication of company policies requiring that employees stay home when they or close family members are ill and reiterating the company's flexibility in managing these absences from work
3. Increased employee training and awareness on the proper personal hygiene steps to use at home and work
4. Restricted all non-emergency business travel through 30-Sep-2020 and announced that continued restrictions may be appropriate after that date
5. Restricted access to our facilities to employees and Vendors / Contractors with a critical need to be on-site.
6. Implemented remote working arrangements to geographically disperse our workforce, with the target of approximately 50% of our employees being out of the physical workplace
7. Established "social distance" zones around each employee functioning in the workplace
8. Implemented procedures to reduce the risk of disease transmission via high touch points / surfaces / items
9. Set the expectation that some form of social distancing requirement will continue for several months.
10. Implemented a mandatory face covering policy for any situation in which a 6 foot social distance cannot be respected.
11. As a Heritage-Crystal Clean company, Mirachem has implemented HCC's corporate policy concerning mandatory employee and visitor health screening.
12. In recognition of the likely duration of the COVID-19 health emergency and for use in future pandemic events, Mirachem has developed and deployed an Infectious Disease Control and Pandemic Response Plan to supplement the BCP for infectious disease incidents.

IMPACT AND FORESEEABLE RISKS

- We are not currently experiencing any inability to fulfill customer orders or meet other business obligations. We have maximized our on-hand product and raw material inventories and are fully stocked to meet customer needs.
- Telework arrangements have increased Mirachem's customary order processing and fulfillment times from ~ 24 hours to 48 - 72 hours.
- Our technical and application support services have also been curtailed due to remote working arrangements and restrictions on business travel.

Our Safety & Security Management Team last convened on 26-Aug-2020 and conducted a full review of all key business indicators and BCP trigger points. Results of this review include

- Between remote and on-site personnel, Mirachem is operating with a full complement of staff and is not experiencing any unusual absenteeism.
- Supply chain performance indicators remain mostly within normal ranges. The chemical sector is seeing some disruption due to temporarily idled plants, changes in planned production, emphasis on disinfecting products, transportation costs, and raw materials prioritization.
- Mirachem has not received any orders or directives, nor have our suppliers reported any reallocation of resources, under the DPA. However, industry prioritization of the manufacture of disinfectant products has generated unexpected demand for plastic packaging products, specifically smaller plastic bottles and trigger sprayers. It is expected that this situation will cause delays and shortages in Q3 2020 through Q3 2021.
- Commercial traffic and goods continue to flow across the Mexico and Canadian borders largely as normal.
- Inbound and outbound transportation services functioning on normal timelines. However, transportation costs have shown a dramatic spike in the last 45 days, a trend that is expected to continue over the next 90 - 120 days.
- Mirachem elected to forego its routine price adjustment planned for May-2020 pending further developments in the marketplace under pandemic conditions. Based on developments, Mirachem anticipates implementing pricing adjustments of approximately 2 - 3% in Q3 2020, Q2 2021, and Q4 2021. It is hoped that market conditions will permit a return to Mirachem's customary annual adjustment schedule in May-2022.

OUTLOOK





Global indicators on the scale and severity of the COVID-19 outbreak are equivocal. Virus hotspots continue to emerge and "response fatigue" among populations seem to be having a negative impact on protective behaviors. Mirachem is hopeful that the most immediate and dire risks around the world have passed, but remain cautious and vigilant in the management of our business.

We are fortunate that so far that our operations have proved resistant and resilient in the face of this pandemic. We are grateful that our employee team has thus far been unaffected by serious, direct impact. We are confident that Mirachem has made all possible preparations, and while are prepared to experience some degree of disruption, we do not anticipate significant impairment in our ability to continue to meet our day-to-day obligations.

We also remain mindful of expert guidance that warns of the possibility of a global resurgence of infections and COVID-19's widespread return later this year. We will continue to take all reasonable steps to ensure our ability to meet our customer's needs and professionally fulfill, as President Trump's Coronavirus Guidance for America of 16-Mar-2020 described it, our "*special responsibility*" to continue our operations.

If you have any questions, please contact our Customer Support Desk at Support@Mirachem.com or by phone at 800-847-3527.

Related Resources:

Critical Infrastructure Sectors - US Dept of Homeland Security - Support Resource (RR-2892)*		Mirachem.info/RR-2892
CISA Guidance on Essential Critical Infrastructure Workers During COVID-19 - US Dept of Homeland Security - Support Resource (RR-2893)*		Mirachem.info/PR-1462
2015 Critical Manufacturing Sector-Specific Plan - US Dept of Homeland Security - Support Resource (RR-2894)*		Mirachem.info/RR-2875
2015 Chemical Sector-Specific Plan - US Dept of Homeland Security - Support Resource (RR-2895)*		Mirachem.info/RR-2895
State of Arizona Executive Order 2020-33 - Returning Stronger - Support Resource (RR-2921)*		Mirachem.info/RR-2921
State of Arizona Executive Order 2020-36 - Stay Healthy, Return Smarter, Return Stronger - Support Resource (RR-2932)		Mirachem.info/INF-2932
Critical Infrastructure Vendor Support Letter 20-Mar-2020 - Information Release (INF-2896)		Mirachem.info/INF-2896
Critical Infrastructure Worker Letter 20-Mar-2020 - Information Release (INF-2897)		Mirachem.info/INF-2897
Essential Critical Worker Memo 20-Mar-2020 - Heritage-Crystal Clean - Information Release (INF-2898)*		Mirachem.info/INF-2898
* External weblink		

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About Mirachem, LLC

Mirachem, LLC, a Heritage-Crystal Clean company, is a manufacturer and marketer of environmentally and worker-safe cleaning technologies, and provides advanced customer and technical support for users in a variety of applications, across many industries and business segments. Headquartered in Phoenix, AZ, Mirachem was founded in 1978 as The Mirachem Corporation, and has been offering superior alternatives to traditional, hazardous cleaning chemistries for over 40 years. For more information, visit [Mirachem.com/AboutUs](https://mirachem.com/AboutUs).

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