

Felix Schoeller Holding GmbH & Co. KG | Burg Gretesch | 49086 Osnabrück

To our customers
and business partners

03/04/2022

Statement on the current situation in Ukraine and its consequences

Dear Ladies and Gentlemen,

The events of the past few days make it clear how fragile peace is. We are horrified by the war in the Ukraine and are following the dramatic developments in the conflict region with great concern. The situation touches us deeply; but at the same time, it also presents us as a company with new challenges. We bear responsibility towards you, our customers and business partners. Our goal is to offer you the most trouble-free service possible, including the highest possible product availability. We therefore see it as our duty to give you an overview of our current situation in the following:

Raw materials:

The German Felix Schoeller Group sources a small part of its raw material demand of titanium dioxide and starch from the Ukraine. We are currently working on alternative sources to secure our supply. In addition, one of our TiO₂ suppliers obtains part of its raw material from the Ukraine. This source is also disrupted. We are working at full speed on the resulting consequences and will inform you shortly.

Energy:

As an energy-intensive company, we are highly dependent on gas and electricity. More than 50% of German natural gas imports are sourced from Russia. We do not expect any bottlenecks in the short term. Nevertheless, we are currently examining possible alternatives to secure our energy supply. We are currently seeing unprecedented prices and very high volatilities in the energy markets. This will therefore also influence our pricing policy.

Available cargo space:

In the current critical situation, there is a shortage of Ukrainian truck drivers in Europe, who make up part of the European freight traffic. This will have an impact on the available freight space and thus on our ability to deliver. We are striving for maximum transparency and viable solutions.

At present, our production operations in Europe, North America and Asia are running without significant restrictions. We are working intensively with an internal crisis team to secure our ability to act and deliver under the current conditions. We are in close contact with our partner in Russia. Our common goal is to ensure a supply of the local market there as well.

Our Customer Service and Sales Team is always available to answer your questions. We will of course keep you informed about new developments in the situation.

With kind regards

Hans-Christoph Gallenkamp
CEO