



Our collective battle against the Coronavirus continues. We are all trying to do our part, meet the needs of customers, and work to support those on the front lines of protecting public health. Thank you for all that you and your teams are doing.

Our core objective: Deliver a consistent and predictable supply of product to our channel partners.

We are working toward continued improvement in meeting our supply pacing commitment each week to achieve our core objective. As previously communicated, we have shifted away from prioritizing direct-to-end-user shipments and drop-ships and are focusing on meeting all end-user needs through more effective supply to our channel partners.

High level plan for the next 2 weeks: The process for this week is similar to last week, but you have one extra day (Tuesday) to submit your POs to GOJO. We will:

- Request specific POs by channel partner ship-to location on the supply pacing report PO tab.
- Channel partners must submit POs to GOJO Tuesday-Friday this week.
- Continue to focus on the prioritized markets of healthcare, first responders, critical infrastructure, government, and grocery (in-store use; not retail).
- Expand (slightly) our prioritized vertical markets focus as it relates to supply pacing to include food processing market SKUs (where inventory allows) beginning with requested POs this week.
- Work with channel partners, where appropriate, to reduce ship-to locations - this initiative continues.
- Consider available inventory of other products, like custom brand, heavy duty, and non-core assortment products, and layer those onto requested channel partner POs each week.

Additional information:

- ***Guidance on open orders:*** GOJO will continue to hold all old open orders in our system. At this time, we will not formally recommend that channel partners cancel old POs, as there may be instances when we find incremental capacity to fulfill inventory we have available beyond the GOJO-requested POs.
- Based on feedback, we're making ***changes to the supply pacing report*** beginning today. We will:
 - o Decouple the supply pacing report from order detail and tracking data (and improve this data).
 - o Begin publishing a report that provides ORDER SHIPMENT DETAIL. This report is attached and will be available from GOJO on other days of the week if you choose. The new report will consolidate the old ORDER DETAIL and TRACKING tabs from the supply pacing report, will be more accurate, and will also include notification of any cancelled lines from prior weeks' POs going forward.
 - o Include the following tabs in the supply pacing report (published on Mondays only): MESSAGE, PO, PERFORMANCE, and CORE ASSORTMENT.
 - o Reminder: No more PACING tab. All supply pacing quantities for the week will show up as GOJO requested POs on the PO tab. The POs that you place with GOJO Tuesday-Friday this week will ship during the week of 4/19-25.
- ***End-user Letter:*** We provided an end-user Excel file last week that you could use to communicate to end users regarding the GOJO go-to core assortment. As requested, a stand-alone PDF format file is attached.
- ***Out-of-stocks within the core assortment:*** We have built the GOJO requested POs based on specific inventory availability and defined production plans. There may be times when a core assortment SKU does not have inventory levels to support full shipments against GOJO requested POs, but that should happen very infrequently. If we are unable to ship the full PO quantity, the remainder will be cancelled.
- ***End-user contracts related to the new core assortment:*** Updated end-user pricing contracts will be available to channel partners - reflecting the new core assortment and go-to substitute products - on Tuesday, 4/14. This will happen through a SharePoint site that will be available to specific contacts at each channel partner - more information to follow tomorrow.
- If the requested POs don't meet ***channel partner freight minimums*** – GOJO will pay the freight.



Thank you, everyone.

Stay well,

Tim Dye
Chief Commercial Officer
GOJO Industries, Inc.