

October 15, 2021

Dear Customer Partner,

As our industry and global supply chain has been evolving rapidly over the past few months, we'd like to provide an update on what we have seen unfold.

Since summer, the rising costs have been concentrated around:

- Continued increases to raw material prices, especially stainless steel, aluminum and all forms of plastic resin
- Escalations to container prices as high as \$25,000+ each, ahead of the retail industry peak holiday seasons
- Increases to domestic trucking rates, now several times higher than pre-pandemic

Being in E&S foodservice manufacturing and distribution means to us that it **remains critical for our industry that we continue to ensure the flow of goods from factory to operator**. As our operator customers plan their next 6-12 months of growth, we aim to be a key enabler of theirs and your successes.

Winco has significantly expanded our purchasing partnerships and logistics networks to build our pipeline. We have targeted and reached close to 100% container booking successes and are in the midst of tripling our inventory. We have already begun seeing significantly less backorders and are continuously expanding to fill your volumes and needs.

In order to continue enabling this rapid growth, we will be increasing our temporary surcharge, to 14% on invoice effective **November 15, 2021**. We hope that there will be some relief on these escalating costs in various sectors of the supply chain in 2022, and look forward to adjusting this back at that time.

Thank you for your support, as we continue to focus on being a key solution provider and partner vendor for you and our customers.

Best Regards,

Elaine Shen
President

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