



March 25, 2020

To: Horizon Supplier and Broker Partners
Re: COVID-19 Updates and Protocols

We hope this letter finds you and your families well during this unprecedented time. In light of the evolving COVID-19 pandemic, we are taking our ongoing responsibility to ensure the consistent supply of goods to our communities via our retail partners very seriously.

Supply Chain:

At this time our supply chain remains strong, however, we are experiencing low inventory or out of stocks on several high-demand items, which we are working hard to fill. Despite adjusting our forecasting in early March in anticipation of increased volume, the demand from our retail partners has been unprecedented. Some of our supplier partners are working to catch up on production due to demand, while several suppliers have engaged in appropriate and equal distribution of product across their distributor platforms. As a result, in some cases, we have received less than our requested volume. Our Buying team continues to work hard to fill the pipeline.

Safety:

We are deeply concerned about the health and welfare of all our colleagues at Horizon in addition to the larger community. As such, we activated our staged pandemic plan several weeks ago and continue to escalate protocols as required:

Currently:

- The vast majority of our office staff (Accounting, Sales, Marketing, Purchasing, IT) is engaged in working from their home offices. Please call Reception should you need to contact a member of our staff.
- Critical positions that need to be on site (various Customer Service, Warehouse, Management, Administrative and IT staff) are practicing strict social distancing protocols and hygiene standards as required by the BC Provincial Health Authority.
- Additional “deep cleaning” measures are being performed by our sanitation staff members daily to enhance site safety.
- Extraordinary sick time policies have been activated to address the needs of our staff.
- All on-site meetings with external parties have been moved to virtual meetings, conference calls or have been postponed.
- Please do not visit the Horizon facilities without notifying Reception in advance.
- Authorized visitors to Reception are required to practice social distancing protocols and adhere to hygiene standards.



Marketing + Promotions:

- Monthly specials and catalogues continue to be produced and published as planned at this time.
- *Pre-books* have been placed on hold temporarily to allow us to focus on ensuring critical goods are supplied to our retail partners and meet demand in our Warehouse and Customer Service departments.
- We have recently received numerous requests from suppliers to cancel immediate and future promotional activity. Concurrently, we are receiving notice from some retail partners requiring that suppliers honour their promotional commitments. We ask that brokers and suppliers work directly with retailers when messages conflict, as Horizon will not accept financial responsibility related to opposing positions between retailers and suppliers.
- Supplier partners, please provide written documentation explaining all factors that support price increases from suppliers. Please note that price change notice periods continue to apply as per our Supplier Policies + Guidelines.

We would like to express our gratitude to our supplier partners for working tirelessly to help provide needed products to our communities during this crisis.

Should you have any questions, please feel free to contact me at your convenience.

Wishing you, your loved ones and your communities good health,

A handwritten signature in blue ink, appearing to read "Gayle Thom", with a long horizontal flourish extending to the right.

Gayle Thom

National Director/Supplier Relationships + Procurement

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