



GVH Distribution

Family of Companies

March 3, 2025

RE: GVH 1st Quarter Market Update

Dear Retail Partners,

Every quarter GVH provides an update on the current market, highlighting the top categories facing challenges. We also outline the solutions GVH is implementing to ensure our customers remain in stock during the upcoming busy season at the best possible price.

TARIFFS

Starting at midnight on March 3, 2025, the new administration will implement tariffs: 25% for Mexico and Canada, and an additional 10% for China (this is on top of the current 10% in place). We are closely monitoring these developments as information updates frequently.

The threat of tariffs and market uncertainty has driven up prices across our supply chain. In the past two weeks, GVH has experienced significant price increases from manufacturers, with more expected over the upcoming weeks. We are actively negotiating with vendors to maintain current prices for as long as possible and will provide pricing updates promptly.

Since these tariffs also affect raw materials, even some domestic suppliers will be affected. GVH's category management team will continue to collaborate with domestic suppliers by looking at moving some items to them as needed to keep costs as low as possible.

SUPPLY CHAIN

GVH's vendor partners' supply chain has been generally strong, with several positive aspects. Despite a few challenges, the overall performance has been solid. GVH's fill rates have remained high through Q4 and into the start of the year, reflecting the effectiveness of the supply chain.

FOIL/ALUMINUM

Overall, fill rates for foil were strong in Q4, with some substitutions made when necessary. Tariff pressures led to increased demand in this category, causing long-term shortages of imported foil. However, GVH has reliable domestic partners to help manage this. Due to the demand spike, GVH is strategically increasing inventory on high-volume foil items to start 2025.

GLOVES

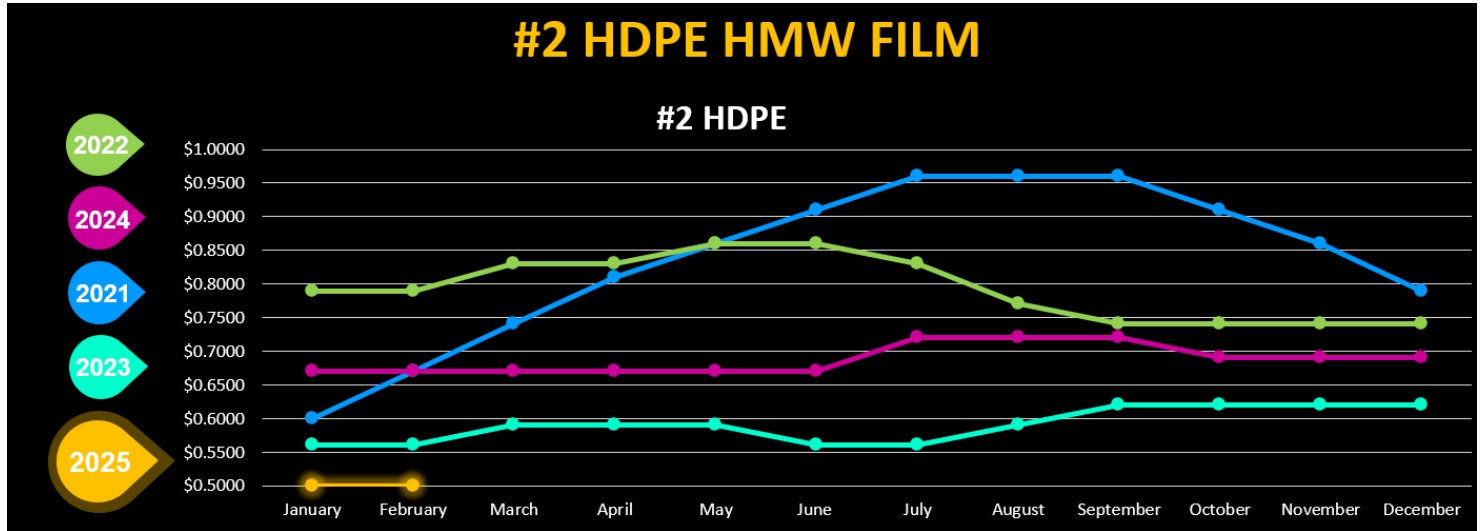
Vinyl glove pricing and supply have remained steady for an extended period. However, there has been upward pricing pressure on nitrile gloves, specifically medical grade nitrile due to aggressive tariffs that began in 2025 and will rise in 2026. These tariffs have led to price increases, which are expected to continue. Manufacturers in China producing nitrile gloves are shifting operations to other East Asian countries. Despite these challenges, GVH is currently in a strong inventory position for nitrile gloves.

FOAM TRAYS

Foam trays encountered some unexpected challenges at the start of 2025. While Q1 usually sees a slowdown, volume increases significantly for warm weather and BBQ season. Vendor inventory and lead times are improving, and with multiple Canadian suppliers, tariffs are not a current issue. GVH continues to monitor the situation for any potential future concerns.

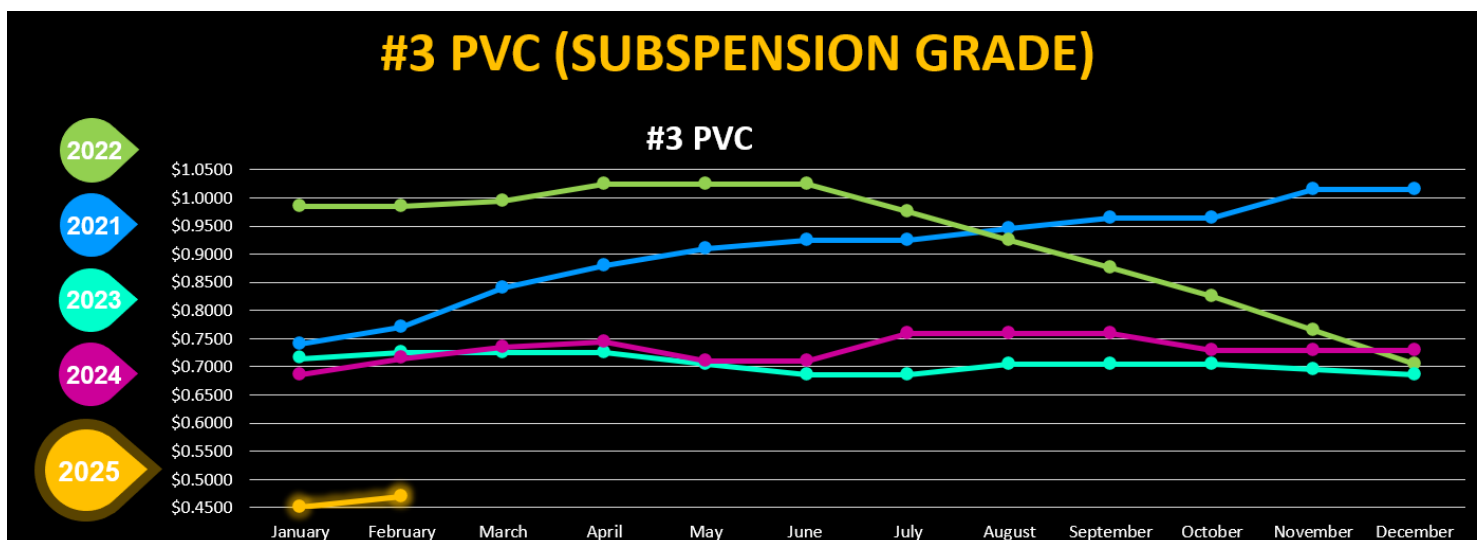
HDPE FILM

- Products: T-Sacks, Poly Bags, Can Liners, Produce Bags
- Vendor examples: Hilex, Crown Poly, Unistar Plastics, Continental Poly, IPS Industries, Intoplast, Fantapak, LK Plastics, Berry Global, Heritage Plastics, Inno-Pak, WSW, Republic Bag, Hercules, etc.
- January 2023, CDI announced a Non-Market Adjustment (NMA) of \$0.21
- January 2025, CDI announced a Non-Market Adjustment (NMA) of \$0.24
 - According to www.chemicaldata.com - This is implemented when it is determined that the level of a price assessment has become inadequately represented.
 - The NMA resets the benchmark but does not affect the price.



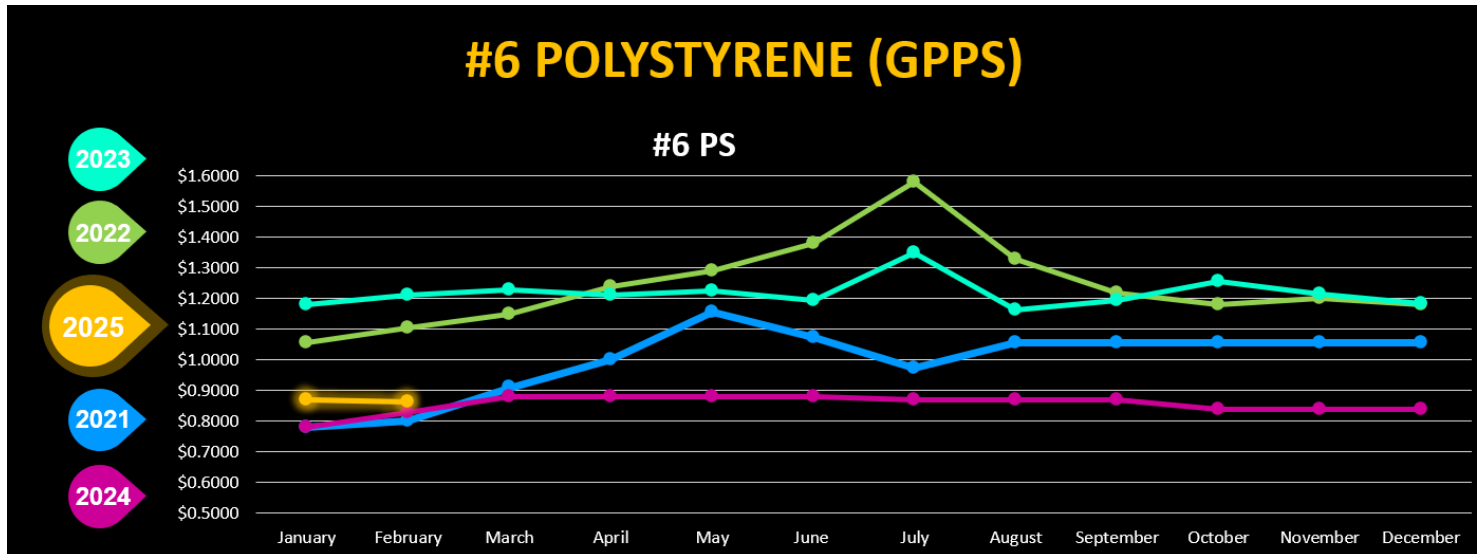
PVC

- Products: Meat Film & Pallet Film
- Vendor examples: Berry Global, Anchor Packaging, XtraPlast, Red Rock, Sigma Plastics, etc.
- January 2025, CDI announced a Non-Market Adjustment (NMA) of \$0.275
 - According to www.chemicaldata.com - This is implemented when it is determined that the level of a price assessment has become inadequately represented.
 - The NMA resets the benchmark but does not affect the price.



POLYSTYRENE

- Products: Foam Trays, Foam Take Out Containers, Cutlery
- Vendor examples: Pactiv Evergreen, CKF, NPX One, Genpak, Dart, Fabri-Kal, D&W Fine Pack, WinCup, AmerCareRoyal, Reyma, Dixie, etc.
- January 2024, CDI announced a Non-Market Adjustment (NMA) of \$0.395
 - According to www.chemicaldata.com - This is implemented when it is determined that the level of a price assessment has become inadequately represented.
 - The NMA resets the benchmark but does not affect the price.



We hope this information is helpful for your business. GVH is committed to collaborating with our retailers and vendor partners to provide solutions. We appreciate your support and value our relationship. Please feel free to reach out with any questions!

Best Regards,

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