AVENDRA CLUBS

GETTING BACK TO BUSINESS

SUPPLY CHAIN GUIDANCE FROM AVENDRA

Tuesday, June 9, 2020
On Today’s Call: Avendra’s Supply Chain Experts

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Overview

Objective

• Provide a look into the current supply chain outlook -- including price fluctuations to consider and availability of relevant products and services, as well as a brief review of some new PPE categories

• Share “What’s New” in reopening / ramp-up guidance to help with member reassurance and F&B profitability optimization ideas

Caveats

• Coronavirus continues to evolve

• The supply chain will continue to adjust in the coming weeks

• This is a North America centric point of view; the implications could be different in other parts of the world

• While we may offer a range of ideas and products, you should always check the direction from your club management where necessary
Avendra is continually tracking the current status of COVID-19 and its implications on the supply chain.

Our contract owners are in touch with key suppliers collecting updates, developing alternatives and sharing best practices.

More than 335 contracted suppliers are offering financial concessions to Avendra customers; ranging from more advantageous payment terms to discounts and pricing holds.
While Private Clubs can be open now in all 50 states, it’s not “business as usual.” What are the considerations?

**Operational Restrictions**
- Vary from state to state – phased approach with adjustments for both clubs and members

**Disruption of Products**
- The supply chain is disrupted - especially those PPE essentials in certain categories (e.g. disinfectant / sanitizers) as well as some food items

**Safety and Sanitation**
- Clubs work to protect the wellbeing and safety of both employees and members by implementing new cleaning and disinfecting procedures for all areas of the clubhouse

**Reopening/Ramping-up Considerations**
- Checklists for sanitation, procedures, F&B, engineering and area cleaning (i.e. dining and banquet rooms)
The supply chain has been stabilizing.

While there are still some empty shelves at retailers, the foodservice supply chain has seen very few shortages.

Some manufacturing plants, as we have seen recently with a few meat processing plants, will need to temporarily close or run with skeleton staffs.

Distribution of food and other materials may be delayed because most distributors have shifted to fewer delivery days/week; new delivery protocols are in place.

The critical challenges continue to be PPE items, specifically: hand sanitizer and hand sanitizer dispensers.
Commodity Update - National Proteins

Pork and Beef:

➢ Protein plants are reopened and building back to higher levels of productivity

➢ Some lower volume foodservice items will remain out of production to accommodate higher retail demand

➢ Pork belly markets are increasing – expect prices to remain volatile through the summer

➢ Beef chucks markets are starting to decrease due to increased supply as production levels increase industry wide
## Commodity Key Trends

<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>Price Change Expectation for Wk of 6/8 v. Previous Wk</th>
<th>Price Change Expectation for Wk of 6/15 v. Previous Wk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ribeye</td>
<td>▼ 4-8%</td>
<td>▼ 4-8%</td>
</tr>
<tr>
<td>Striploin</td>
<td>▼ 1-3%</td>
<td>▼ 3-6%</td>
</tr>
<tr>
<td>Tenderloin</td>
<td>▼ 2-5%</td>
<td>▼ 5-10%</td>
</tr>
<tr>
<td>Sirloin</td>
<td>▼ 4-8%</td>
<td>▼ 4-8%</td>
</tr>
<tr>
<td>Ground Beef Burgers (Chuck only)</td>
<td>▼ 14-18%</td>
<td>▼ 5-7%</td>
</tr>
<tr>
<td>Frozen Ground Beef Burgers (Non-Chuck)</td>
<td>▼ 4-6%</td>
<td>▼ 2-4%</td>
</tr>
<tr>
<td>Chicken Breast</td>
<td>▼ 1-2%</td>
<td>▼ 1-2%</td>
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</tbody>
</table>
## Commodity Key Trends (con’t)

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<tr>
<th>COMMODITY</th>
<th>Price Change Expectation for Wk of 6/8 v. Previous Wk</th>
<th>Price Change Expectation for Wk of 6/15 v. Previous Wk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hams (Whole)</td>
<td>▲ 5-14%</td>
<td>▲ 2-4%</td>
</tr>
<tr>
<td>Bacon</td>
<td>▲ 7-10%</td>
<td>▲ 3-6%</td>
</tr>
<tr>
<td>Sausage</td>
<td>▲ 1-2%</td>
<td>▲ 1-2%</td>
</tr>
<tr>
<td>Commodity Fresh/Frozen Cuts</td>
<td>▼ 10-51%</td>
<td>▼ 2-4%</td>
</tr>
<tr>
<td>Sliced Deli Meats</td>
<td>▲ 2-5%</td>
<td>▲ 2-4%</td>
</tr>
</tbody>
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Protect & Recover: Access to Priority Items

- Below is a comprehensive overview of critical PPE reopening categories being tracked to help Clubs manage their sourcing and supply chain strategy through this pandemic
- Newly added categories – i.e. UV Sterilization, PPE Kits for Members, Social Distancing Signage
- Prices, lead times and availability of products are changing frequently

<table>
<thead>
<tr>
<th>Critical PPE</th>
<th>Sanitation and Signage</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Hand Sanitizer</td>
<td>• Sneezing Guards/Barriers</td>
</tr>
<tr>
<td>• Hand Sanitizing Stations</td>
<td>• Electrostatic Disinfection</td>
</tr>
<tr>
<td>• Sanitizing Wipes and Dispensers</td>
<td>• UV Sterilization - NEW</td>
</tr>
<tr>
<td>• Sanitizing Sprays</td>
<td>• Color Coded Cleaning Cloths</td>
</tr>
<tr>
<td>• Disinfectant Spray Devices</td>
<td>• Remediation Services</td>
</tr>
<tr>
<td>• Face Masks</td>
<td>• Non-Contact Infrared Thermometers (NCITs)</td>
</tr>
<tr>
<td></td>
<td>• Thermal Scanners</td>
</tr>
<tr>
<td></td>
<td>• Social Distancing Signage - NEW</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other PPE</th>
<th>Other Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Face Shields</td>
<td>• PPE Kits for Members - NEW</td>
</tr>
<tr>
<td>• Goggles</td>
<td>• Air Purifiers</td>
</tr>
<tr>
<td>• Disposable Coveralls</td>
<td>• HVAC Filters</td>
</tr>
<tr>
<td>• Disposable Gloves</td>
<td></td>
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</tbody>
</table>
Operational Impact: **Cost Optimization**

- Strengthening basic back-of-the-house fundamentals (receiving, staffing, member satisfaction)
- Analytical framework reset to ensure frequent monitoring and measuring is in place
- Utilizing outside the box leveraged buying programs to capitalize on scale without reducing product quality
Operational Impact: What’s New?!  

- Innovative ideas to drive member satisfaction  
- Club transformation utilizing different product offerings and cooking techniques  
- Welcome back gift packages  
- Associate enhancements and appreciation to enable comfortability
Operational Impacts: **Member Reassurance**

- Displaying and demonstrating sanitation expertise; adherence to local standards
  - Phased approach, club flow, sanitizing stations, posted club guidelines
- Modernization of menu offerings, continuing “To-Go” as an option, operational payment methods and reservations
- Enhanced speed-to-market protocols to address evolving topics
Reopening Resources on Avendra.com

Visit: www.avendra.com/covid-19-supply-chain-information

Avendra Clubs’ Ramp-Up Handbook
COVID-19 Back to Business Success Guide
May 2020

Handbook Objectives

- Provide general Avendra information and contact details to employees Fibonacci to purchasing teams, including leaders that may not be familiar with Avendra.
- Provide resources for additional information on high-priority products and supplies and resources for ramping up and opening.
- Provide best practices for COVID-19 workplace and operations.
- Provide supply food items that help employees save or help suppliers ensure supplies are available for consumers. The latest information is available for Canada. The updated version in the COVID Resource Guide can be helpful.
- Sanitize items that include plastic bags, and other similar items.
- Additional storage spaces may include the following supplies.
- Bacteria are common in these types of personal care items.
- Additional repairs are recommended for initial COVID-19 pandemic.

What’s New & Comprehensive Key Category Download

New Since Last Week:
- New product categories include Disposables, Gloves, and UV Disinfection.
- New sources and options are available across many categories. Current industry options are now available for surveys. The updated version in the Key Category Download can be helpful for these items.
- Sanitize items that include plastic bags, and other similar items.
- Additional repairs are recommended for initial COVID-19 pandemic.

How to Navigate the Resource Guide:
- Each category includes a detailed list of manufacturing companies that provide information on their current status.
- Updated Best Practices are available in the COVID Resource Guide.

Additional Considerations:
- It is important to increase awareness of COVID-19 protocols and guidelines.
- New suppliers and brand names are currently listed in the Resource Guide.
- The proper discussed and regulatory bodies are available for the recommended length of time to go through and consult with the protocol being used.
- The resources listed below are for different cleaning solutions to avoid cross-contamination.
Q & A

Additional Questions? Contact Us:
Customerservice@avendra.com
866-283-6372

Visit Avendra’s Covid-19
Resource Page
avendra.com/covid-19-supply-chain-information
Thank You!