

Supplier Comments on Tariff Situation

- Everything our company sells is manufactured in the USA. We expect some limited new opportunities as some of our competitors manufacture in Canada and Mexico. May add some stability to PVC prices in the short term.
- We sent a price increase effective 4/1/25. We may have another one coming in the very near future. Typically, we have a 30-price protection policy, that may change depending on how much these affect us. We're reducing the timeframe of our quotes on jobs to account for potential changes in the market. We will be very aware of the tariffs and will have to react accordingly.
- We are 90% made in USA, so very lightly affected by the impact for Chinese products. We will bake that into our pricing action later in the year. Our supply chain team is monitoring the situation daily and has been since the start of the new administration.
- Greater issue is being competitive against European and Asian producers in Mexico and Canada, which will not be facing retaliatory tariffs on our products. This is the long-term impact. If the EU is hit with tariffs it will make things even worse.
- The overall impact on the USA globally as a country to do business with and in. We are already seeing pullback by customers overseas due to the actions and policies of our government. No one likes trading with countries that bully others and act psychotically to it's own people. Stability has its advantages.
- We announced a price increase to offset the tariffs initially then modified it to offset the second wave of tariffs. We are actively monitoring the market conditions to minimize the impact to our customers.
- We have experienced minimal impact from the recent tariffs due to shifting production to Taiwan after the 2018 tariffs. Depending on what happens with the reciprocal tariffs, could have further impact.
- Recent tariffs — both from China and Mexico — have added cost pressures to our supply chain, impacting profitability and pricing strategies. To minimize disruption, we've implemented a multi-layered mitigation approach that balances cost control, supply chain diversification, and strategic pricing adjustments.
- We view tariffs as a persistent risk rather than a short-term challenge, requiring continuous adaptation. By optimizing operational costs, diversifying supply sources, and maintaining pricing discipline, we are ensuring business resilience without compromising long-term growth.
- Initially, we cautiously viewed the proposed tariffs and knew there would be minimal impacts as 90% of our components and finished products are made in the USA. We began notifying all customers around the globe of potential price increases and internal committees agreed any cost increases would hit the profit margins.

If tariffs begin to degrade the margins or force unhealthy balance sheets, these impacts will be passed along to consumers with anticipated slower sales than hoped for Q3 and Q4. As details are still not solidified by the government yet, the company is monitoring all government implementation and following those effects as this appears to be an efficiency

issue, maybe the baseline for future business approach. Looking to 2026 and 2027 and the imbalances still to be addressed indicates a longer-term impact with even more strategic planning for future price strategies and profitability.

- Generally, it has been completely crazy. How can you run a business when your costs change one day to the next, on a whim. Insanity. To this end, how can you actually commit to a multi-million-dollar CAPEX to install capability and capacity in the U.S. when the tariffs might disappear the next day/week/month. Because, unless volumes are huge and you can automate, the U.S. wages mean it will NEVER be the true lowest cost. So, while the cost of sourced item is artificially high, it's dangerous to invest to match that cost, because it is not truly competitive.
- Managing: Ultimately the offset is a little on the cost side (work with vendors) but ultimately has to be on the price side. So, everything goes up. Which means volumes come down. And inflation moves up. And interest rates then reverse start going back up. And the economy stalls. So, what was looking like a 2025 recovery becomes a 2030 recovery (maybe ...). So, tariffs are a short-term challenge, but potentially a long-term risk to our industry.
- How do we monitor and react? Same as everyone I guess. Cautiously, but trying to be as prepared as possible.
- We make a fair amount of our products here in the U.S. However, there are raw materials (brass from Canada) and components (e.g., electronics from China) that are being impacted. Ahead of the tariffs, we pulled in some of our planned purchases to get the lower price. We monitor the market response and that of our competitors before taking any pricing action, which is our usual course of action. We are never the first to announce a price increase in our industry.
- We expect we will need to increase prices if this continues for an extended period of time.
- While our business is largely U.S., key markets are hospitals and schools, and we do sell into Canada. The reciprocal tariffs will most likely have a negative impact on these sales.
- We are 90% made in USA, so very lightly affected by the impact for Chinese products. We will bake that into our pricing action later in the year. Our supply chain team is monitoring the situation daily and has been since the start of the new administration.
- We were due for a price increase so people will be more understanding at this point. We have also decided to add a tariff line item to quotes.
- I don't see the China tariffs going away anytime soon, maybe the Canadian before the ones for Mexico.
- No one likes them but it's just part of doing business. In the past, some of our suppliers in China have reduced their price to cover part of the tariffs. We may ask them to do that again.
- We source materials and components both domestically and globally. Our aim is to always offer products of the highest quality at the best value. We constantly evaluate our supply chain to minimize risk and adapt to an ever-changing landscape of global trade policies.
- Where taxes, duties, and tariffs increase our cost of goods, we first seek to mitigate cost impacts in our supply chain. If necessary, we adjust our selling prices accordingly.
- Recent U.S. tariff actions increasing the cost of materials procured from outside the United States have led domestic suppliers to raise their prices as well. Supply chains do not

change overnight, and uncertainty around the duration and amount of these tariffs deters significant long-term capital investment.

- The tariffs will have an effect on our business. We are immediately enacting a price increase on goods and services tied to the specific countries that are involved. At the same time, we are trying to find other places / locations to source and build production in an effort to minimize the impact now and future occurrences.
- The tariffs seem to be very fluid at this time and we are taking a wait-and-see posture before we take any actions. We strengthened our inventory position to provide some cushion as the environment calms and we see the true outcome. If tariffs stick in the market, we will ultimately be forced to increase prices.
- We have been impacted by the China, Mexico, and Canada tariffs, with Mexico having the greatest impact. We are planning to make price changes to help offset the cost impact. We are also looking to shift production locations to better optimize our supply chain. We are actively monitoring the situation and will adjust accordingly as things change. I don't expect the tariffs to be a long-term dynamic in its current form, but will be prepared to work with it if this ends up being the case.
- We have manufacturing plants in Mexico and China, so we are impacted by the new tariffs. We will pass on the increased cost to our customers with price increases as soon as possible. Since we went through this process with the prior tariff increases, we have a process in place to execute the price increases in a timely and efficient manner. In preparation for these new tariffs, we have been able to manage additional cost increases of raw materials by outsourcing and multi-sourcing efforts. This new so called "trade war" environment will continue until the various countries can come to agreement on various issues. Hopefully, that happens soon for all of us
- Tariffs have been around since the 17th century and were used by countries as a source of income prior to income taxes. Tariffs are really taxes and the first tariffs imposed on the United States were on goods from England. This resulted in the Boston Tea Party back in 1773. Tariffs are expensive, aggravating and retaliatory, we should have learned this from our forefathers.
- We only have two components that are sourced outside the U.S. (Canada, Mexico). We have been informed by those two vendors that tariffs may impact their pricing, but it's no change yet. We see this as long-term opportunity to take share given we are insulated from tariffs and all our products are made in America. This was a concerted strategy. Personally, I believe Mexico and Canada will be spared from tariffs when the dust settles but China will be doomed.
- Yes, tariffs will affect our different business units. Our manufactures are domestic, but some of their production in is Mexico. Steps I have taken is to advance purchase and store as much material as possible for production and distribution that allows for the trade war to happen and hopefully work itself out. Price increases will happen commensurate with the amount of tariff actually assigned. The bulk of our business is copper (both domestic and import supply) and we are bracing for tariffs on that metal as it has been announced we will have one. Currently expecting 10-25% which will be highly devastating to so many sectors of the economy. We are hoping for exclusions by type or by country. It has introduced a lot

of uncertainty for sure. I think tariffs placed on anything Americans consume will have a big effect on the economy and everyone's pocketbooks as we will all have to pass on all or some of the increases to our customers. The domestic goods that are not affected by tariff will see a change in demand and I expect prices to go up there as well. It's how business works after all.

- Yes, tariffs will have a sizeable impact on our pricing to our customers and to end consumers. With the multi-year slowdown of the market along with increased people, healthcare, and operational costs, manufacturers are not able to digest the additional costs, therefore it will be passed on. I am hopeful that it is a short-term challenge, however if they last longer than 60 days, I expect them to remain. It will be too difficult to remove them once they are active and in place
- We are certainly concerned about the rapid and unpredictable implementation of tariffs. As you know, the details of what is impacted typically lag the implementation. This makes planning around the changes nearly impossible. We have limited tariff exposure with Canada and China but could have significantly more exposure if Europe is tariffed.
- If the European tariffs go into effect, we will have no choice but to pass those price increases on to our customers. To mitigate the risk, we are looking at a combination of insourcing and domestic sourcing initiatives. This type of investment will not be feasible in many cases. These activities can take years to implement and are more mid-term and long-term solutions. In short, this year could be a dumpster fire.

Mitigation Strategies:

- Operational Cost Control & Efficiency Gains
 - Targeted expense reductions across discretionary spending, rebates, and intra-company transfers.
 - Strengthened policy enforcement (e.g., rebate timelines, cash discount policies) to improve financial discipline.
- Supply Chain & Sourcing Diversification
 - Shifting production from China to Thailand and Mexico to southern Texas to reduce tariff exposure while maintaining supply continuity.
 - Assessing long-term manufacturing and logistics realignment to mitigate dependency on tariff-impacted regions.
- Balanced Pricing Strategy
 - Avoiding drastic price increases that could affect market competitiveness.
 - Implementing selective pricing adjustments where necessary while preserving customer relationships.
- Proactive Market Monitoring & Risk Management
 - Actively tracking potential tariff escalations and scenario planning to stay agile.
 - Engaging in supplier negotiations and leveraging duty recovery where applicable.
- How have recent tariffs impacted your business? **Had meetings so we can best be prepared if tariffs were going to be implemented**
- How are you dealing with them? **Reviewed production options**

- How have tariffs affected your pricing strategy or profitability? **Reviewing all conditions to determine best course of action**
- What steps have you taken to minimize the impact of tariffs on your business? **Moving production best way possible between facilities**
- Do you see tariffs as a temporary challenge or a long-term risk to your business? **Temporary**
- Are you actively monitoring potential tariff changes, and if so, how do you prepare for them? **Yes, having regular meetings to discuss strategies, conditions, and changes to minimize affect**

- **How have the recent tariffs impacted our business?**

The impact has been significant, primarily due to the ongoing uncertainty. We had to implement some unexpected price increases to protect incoming inventory that has not yet arrived. However, we also need to balance the pricing to ensure that our customers can continue serving their clients responsibly. Striking this balance is difficult and may not be achievable in an ideal way. The industry dislikes unforeseen and urgent price increases, which makes this situation less than ideal. Additionally, we've seen a surge in large inquiries to safeguard ongoing projects. On the flip side, we have also experienced a noticeable slowdown now that we are into the second week of these increases. Despite these challenges, we are hopeful that we will gain more clarity on the situation in the coming weeks, allowing us to provide more consistent messaging and service to our customers.

- **How are we managing the tariffs?**

As mentioned, we have had to implement urgent and unexpected price increases, which we strive to avoid whenever possible.

- **How have tariffs impacted our pricing strategy and profitability?**

As you may hear from others, profitability will certainly be affected, as we are reluctant to pass the full impact of the tariffs onto our customers. That said, we didn't anticipate paying more than the agreed-upon pricing for the incoming materials, so we find ourselves in a situation where the suppliers will need to accept that we will absorb some of the costs over the next couple of months to help protect our customer base.

- **Steps to minimize tariff impact?**

We are exploring alternative sourcing options in countries that are less impacted by these tariffs. Much of the material we sell is not produced in the US, and when it is, it is not cost-effective. Our best approach is to shift more of our sourcing to countries that may experience less disruption over time.

- **Do I see the tariffs as a long-term or short-term challenge?**

While the tariffs' immediate impact is short-term, it is likely that the ripple effects will be felt for several years, depending on how the global trade landscape evolves. Some countries are already in discussions to negotiate tariff reductions, while others may choose to maintain their stance, which could lead to more prolonged challenges in certain sectors. Our expectation is that, over the next 2-4 years, we will see a mix of short-term volatility and long-term shifts in trade agreements that could either exacerbate or alleviate the current situation. Therefore, while the immediate crisis may pass, the need for strategic adjustments and contingency planning will remain.

- **Are we actively monitoring tariff changes and how are we preparing?**

We are holding daily discussions with our entire team to stay aligned on the current business situation. We recognize that our customers are also significantly impacted by these tariffs, so we want to ensure that any future changes are proactive, not reactive. To achieve this, we are staying on top of current events. We are fortunate to have a team of brilliant minds in the industry. To stay prepared, we are engaging in conversations with our vendors, customers, competitors, and others who are closely monitoring these developments. Ultimately, we are in a great industry, and we believe that success comes from supporting one another, even if we are on different teams. The more we collaborate, the greater the growth we will experience as an industry.

We weren't expecting the tariffs to take shape specifically with Canada. Expectations that the China tariff was going to stick. Yesterday was full of calls internally & externally addressing how this will impact our overall business. Below, I have added thoughts/comments to your questions.

- How have recent tariffs impacted your business? The product we produce out of Canada/China plants to support our U.S. business took an immediate tariff increase, which is in the double-digit range. We will have to pivot to find products we do produce in the U.S. to give our customers an option to avoid the tariff.
 - How are you dealing with them? Provide US-based product options to avoid the tariff.
 - How have tariffs affected your pricing strategy or profitability? Immediate tariff increase hit that we can't pass on to customers. We will be eating out of profits for one week in hopes that the tariff is lifted. Some products will have to increase due to no U.S. product production.
 - What steps have you taken to minimize the impact of tariffs on your business? Utilize U.S. production when possible. Eat for one week the tariff costs and not put the burden on our customer.
 - Do you see tariffs as a temporary challenge or a long-term risk to your business? Yes, we see it as temporarily out of Canada but see China as a long-term challenge. Our concern longer term is how it impacts overall construction with rising costs from many products that go into building a home, an apartment project, etc.
 - Are you actively monitoring potential tariff changes, and if so, how do you prepare for them? ETC.... Yes, and best as anyone can with communication rapidly changing
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- How have recent tariffs impacted your business? For the most part for us it is noise as we are Made in the USA, the majority of our supply chain is in North America, so Canada and Mexico are the focus for us, selling into those countries will be our biggest issue if the reciprocal tariffs occur.
 - How are you dealing with them? In the supply chain we are absorbing most of them, our goal is limit the increase and maintain the majority of our margin.

- How have tariffs affected your pricing strategy or profitability? We had planned a price increase (have not taken one since June 2022) in the first half of the year anyway so it is 2% inflation and 1.5% tariff, just one price increase for our customers and over 60 days' notice so our customers can react accordingly
- What steps have you taken to minimize the impact of tariffs on your business? Been working on it for years in the supply chain / vertical integration - been buying heavy for the past 6 months to prevent an immediate price increase, everyone knew this was coming and we have been working our plan
- Do you see tariffs as a temporary challenge or a long-term risk to your business? See it as an opportunity if they stick on China, eliminate Mexico / Canada and truly enforce the HTS codes, as those codes are not followed uniformly across our industry
- Are you actively monitoring potential tariff changes, and if so, how do you prepare for them – Yes, National Association of manufacturers (NAM) is our main choice, give it some time before you react, try not to have multiple communication with your customers, we have had one and we hope that is the only one

How have recent tariffs impacted your business?

- Currently no significant impact, we expect cost increases from our suppliers

How are you dealing with them?

- No current plan on how to deal with them until we see how much of a cost increase we receive.
- If you want to look historically since the last tariffs, we will probably increase pricing to our customers

How have tariffs affected your pricing strategy or profitability?

- Simply put, we will increase our pricing, but most likely not pass along the total cost increase to customers.
- So, profitability will go down.

What steps have you taken to minimize the impact of tariffs on your business?

- Look to source from unaffected countries (but this doesn't seem possible with current administration).

Do you see tariffs as a temporary challenge or a long-term risk to your business?

- Long-term risk to the market, as we have seen from the last tariffs... prices did not easily decrease.
- Suppliers out of China took back significant market share after Trump to Biden transition when they undercut prices.

Are you actively monitoring potential tariff changes, and if so, how do you prepare for them?

- Our supply chain manager is providing tariff updates, our administration is back and forth on many things, so we ultimately have to wait and see.