

UPMRAFLATAC**UPMBIOFORE**
BEYOND FOSSILS 

February 28, 2022

Dear Jean-Marc,

Since our last price adjustment letter in November 2021, we have been faced with additional cost inflation for raw materials, freight, and energy. These cost increases are mainly a result of continued, structural supply imbalance of raw materials critical for label stock materials and current geopolitical tensions.

- We continue to see a structural imbalance of domestic and global supply of face paper and liner materials which has tightened supply and increased cost further
- Steep increases in energy and oil prices resulting from geopolitical tensions caused suppliers of paper, films, and chemical components to further increase prices
- Truck and ocean freight rates have further increased since our last freight rate adjustment as the industry is facing tight capacity and rising fuel cost

During these volatile times, it is our priority to secure supply to you, our current customers, to the best of our abilities. As a result, we will adjust prices for any shipments effective April 4th, 2022, as follows:

- Filmic face label stock will increase 5%
- Paper face label stock will increase 8%
- Freight rate will increase \$0.005/MSI

Separately, effective May 2nd, 2022, we will implement a \$99.00 Small Order Surcharge for all order positions below 5,000 MSI or less than 5,000 ft in roll length. As well, our current \$99.00 Flat Freight Surcharge will be eliminated, and freight will be charged at zone freight rates.

Your UPM Raflatac sales representative will contact you shortly to review, in greater detail, the price adjustments for the products you purchase from us and offer any assistance to mitigate the price adjustment impacts.

Sincerely,



Tim Kirchen
Senior Vice President, Americas
UPM Raflatac