

From: 1 >
Sent: Tuesday, October 11, 2022 3:14 PM
To: jefft@data-label.com
Subject: UPM Raflatac Price Adjustment

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UPMRAFLATAC

UPM BIOFORE 
BEYOND FOSSILS

Oct. 11, 2022

Dear Valued Customer,

Since the start of the unprecedented inflation impacting our industry, we have committed to proactive and transparent communication.

Over the past two years, we have openly shared our concerns and potential impacts regarding the domestic paper raw material supply situation for our industry, specifically the supply/demand imbalance for PSL face and liner products. Paper mills capacity reductions (mill closures) and diversion of mill capacity to non-PSL markets have created an extremely tight domestic supply situation for paper face and liner materials critical to our industry.

Most recently, one of the few remaining U.S. based suppliers of paper liner announced an additional mill closure. This will further reduce the total domestic capacity of PSL paper liner by roughly 25 - 30%. While we expect to mostly offset the direct impact of this mill closure to our customers, the indirect impact to the PSL industry from a total market supply and cost perspective is significant.

As a result of this structural supply/demand imbalance and rising cost for labor and energy, paper material suppliers have submitted further, very steep price increases to us.

Our focus remains on securing sufficient domestic and imported paper liner and face materials to continue offering dependable supply to you for the remainder of this year, in 2023 and beyond.

To ensure the continuity of supply, we will adjust prices for any shipments, effective November 14th, 2022, as follows:

- Paper face / paper liner label stock will increase 12%
- Paper face / PET liner label stock will increase 5%
- Film face / paper liner label stock will increase 5%
- Certain products will require price adjustments exceeding the above stated amounts. Separate, product-specific price adjustment communication will follow shortly.

Our commitment is to keep you updated about the supply challenges facing our industry. Please be assured that our teams are working tirelessly to secure stable and sufficient paper face and liner supply to ensure the growth in our industry. At the same time, we will also offer PET liner alternatives where suitable for the end-use application.

Your UPM Raflatac sales representative will contact you shortly to review the price adjustments for the products you purchase from us.

Thank you for your trust and partnership!

Sincerely,
Tim Kirchen
SVP Americas Region, UPM Raflatac