

October 13, 2022

Dear Spinnaker Customer,

The recent announcements regarding paper mill closures, particularly Pixelle Specialty Solutions, have caused a significant and immediate resurgence of inflation from multiple paper manufacturers as they respond to this further decline in the balance of supply and demand. While primarily liner related, paper facestocks have also been subject to recent increases. This all comes on top of ongoing energy and labor challenges being faced by us all.

This is not at all the message I wanted to be sharing into the fourth quarter, but this unexpected change in paper supply and cost is too large to absorb. Reluctantly, we have committed to higher pricing for the key raw materials needed to ensure continued supply.

As a result, effective with shipments as of November 15, 2022, we will be adjusting label construction pricing as follows:

- **Paper face/paper liner constructions to increase by \$0.030 /MSI**
- **Film face/paper liner constructions to increase by \$0.020 / MSI**
- **Paper face/film liner constructions to increase by \$0.015 / MSI**
- **Film face/film liner constructions to increase by \$0.005 / MSI**

The revised pricing will be effective for confirmed orders and backorders shipped after the implementation date.

Your Spinnaker Account Manager will work with you to review your new pricing and a detailed listing of products you buy regularly. We never take the decision to increase your costs lightly and are appreciative of your ongoing support as we work to ensure material availability for you and your customers.

Sincerely,



Michael Marasch
Vice President – Marketing & Sales
Spinnaker Specialty Roll Label

Leadership Message

Tina Hart

Vice President, Sales, Label and Packaging Materials North America



September 30, 2022

Dear Valued Avery Dennison Customer,

As mentioned in our regular business communications, the industry is facing a number of economic and raw material supply challenges that mean we continue to operate in an inflationary and highly volatile environment. Extremely high raw material and indirect costs are causing continued inflation, especially on paper products.

In paper materials, while high pulp prices are adding to this raw material inflation, the primary driver of new increases is related to a shortage of paper capacity versus the high demand. Recent closure announcements (Pixelle Androscoggin Mill, Dunn Paper Port Huron, Arjo Wiggins Fine Paper) have further exacerbated the supply/demand balance.

While our first priority is the sourcing of paper to fulfill your pressure-sensitive label orders, we have taken many measures to absorb costs and have attempted to negotiate alternative suppliers and better supply and pricing. However, some events have presented challenges beyond our control. Since July, several additional rounds of price increases have been received from our paper suppliers, amounting to 20%+ increases in some cases. Structural costs in energy and labor are also continuing to rise.

These factors require us to increase our prices on all existing and new orders with a shipping date starting **November 1, 2022**:

- Paper/Paper products are increasing by \$0.035 USD/msi.
- Paper/Film, Film/Paper, & RR Paper products are increasing by \$0.015 USD/msi.

Our ACPO/overlaminated products are excluded from this material price increase.

We will continue to keep you informed of the status of current challenges and their impact on required price adjustments and lead times. As an alternative solution to the paper liner shortages, we continue to recommend that customers consider switching to PET liners as this material is more readily available.

Ensuring our customers have continued access to our products and preventing disruptions to our supply chain remain our most important goals. We will continue leveraging our relationships with suppliers and logistics partners to minimize the impact and cost increases experienced by our customers. If you have questions about your orders, please reach out to your Avery Dennison representative. Thank you for your patience and understanding.

Sincerely,

A handwritten signature in black ink, appearing to read "Tina". The signature is written in a cursive, flowing style.

Tina Hart

Vice President, Sales

Label and Packaging Materials, North America



As indicated in our supply update last week, inflation has accelerated in the wake of recent mill closure announcements. While primarily liner related, paper facestocks have also been subject to recent increases. This all comes on top of ongoing energy challenges being faced by us all.

Mactac has projects underway to ensure we are well positioned by the time the Pixelle mill at the center of this new wave of inflation closes. However, to ensure supply, we have reluctantly committed to higher pricing for the key raw materials needed to bridge that gap into Q2 of 2023. Inevitably, this continuity of supply has been bought at a significant premium.

At this time, we will be applying an increase of \$0.02 per MSI on all paper liners, \$0.01 / MSI on all paper facestocks and a further \$0.005 / MSI to offset some of the energy costs affecting all products. While certain materials have gone up significantly more than these amounts, on average we are passing on less than 50% of the cost being incurred while working to mitigate the full exposure we face. We are doing this to afford you time to prepare ahead of further action should the current inflationary environment persist as it seems likely to do.

As a result, effective 11/14/2022, we will be adjusting label construction pricing as follows:

- **Paper face on paper liner constructions to increase by \$0.035 / MSI**
- **Film face on paper liner constructions to increase by \$0.025 / MSI***
- **Paper face on film liner constructions to increase by \$0.015 / MSI**
- **Film face on film liner constructions to increase by \$0.005 / MSI***

Separate to these measures, please be aware as the Q3 average cost of PP (Chemical Data Index) settled at \$0.90 / lb. our BOPP surcharge will roll back by \$0.03 / MSI on 11/1 to **\$0.01 / MSI for the period November 2022 through January 2023. This applies to all BOPP constructions subject to the existing surcharge.*

Your Mactac sales team will work with you to detail your new pricing and identify those products affected ahead of the 11/14 implementation date. We never take the decision to increase your costs lightly and are appreciative of your ongoing support as we work to ensure material availability for you and your customers.

Regards,

Kevin Clunie
Vice President Sales & Marketing – Performance Adhesives
Mactac North America

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



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October 4, 2022

Dear Customer,

The team at Clear Cast would like to thank you for the business we have been entrusted with by DLS. We are particularly thankful for your support as we continue to work through material challenges that have persisted during the year.

The supply chain continues to present difficulties with timely production as base chemical feedstock shortages, raw material capacity limitations and international and domestic logistics bottlenecks impact operations and material pricing. I believe we have been able to mitigate the severity of these circumstances with our programmed purchases.

Unfortunately, we are still faced with the rising costs associated with the supply challenges. Facestock, adhesive and liner components as well as packaging supplies and transportation have all experienced multiple increases. Clear Cast has worked aggressively to maintain our prices during this period. We are at a position currently, where the accumulated increases have necessitated an increase in our price of the 3mil matte BOPP construction. As such, a 5.5 % increase will be instituted on orders shipped after November 1, 2022.

I am available to review this notice and answer any questions you may have.

Chris Beigie

President, Clear Cast Technologies, Inc.



August 5, 2022

Dear Valued Customer,

Effective September 5, 2022, Avery Dennison Rapid-Roll® will implement a 5% price increase across all V-Max® and Valéron® products. Our Duralaz lamination, spec #16968, will also increase, though only by 3% due to Valeron material only making up 1/3 of the Duralaz construction. Valeron Strength Films announced this Global General Price Increase in August, stating labor, raw materials, and freight as key drivers.

Based on historical supply interruptions and excessive price increases on the V-Max® and Valéron® products, the Rapid-Roll team has worked diligently to find viable alternatives. These products are not drop-ins and require fit-for-use testing in the specific application. Please see the charts below for the cross reference of products and spec numbers.

| Valeron Specs Affected | Lower Cost Alternatives |
|-------------------------------|-----------------------------------|
| 78084 - 3M VALERON TiO2 | NA |
| 77219 - 4M WH C1S VALERON | NA |
| 75741 - 6.5M UNCTD VALERON | B5487 - 6.5M UNCTD CROSS-LAM HDPE |
| 75759 - 8.6M UNCTD VALERON | B5488 - 8.6M UNCTD CROSS LAM HDPE |
| 75728 - 7.5M C2S VALERON | B5489 - 7.5M C2S CROSS LAM HDPE |
| 75702 - 9.5M C2S VALERON | B5490 - 9.5 C2S CROSS LAM HDPE |
| 16968 - OUTDOOR DURALAZ | NA |

| V-Max Specs Affected | Lower Cost Alternatives |
|-----------------------------|--------------------------------|
| 76654 - 6.5M UNCTD V-MAX | B0928 - 6M WH HS HDPE |

| | |
|---------------------------------|----------------------------|
| 75947 - 7.5M UNCTD V-MAX | B0930 - 7.5M WH HS HDPE |
| 75928 - 10M UNCTD V-MAX | B0931 - 10M WH HS HDPE |
| 78004 - 7M C2S V-MAX SELECT+ | B0930 - 7.5M WH HS HDPE |

If you have any questions, please contact your Avery Dennison sales representative.

Sincerely,



Jacki Wade

Associate Product Manager - Rapid-Roll®

Label and Packaging Materials - North America



August 5, 2022

Hello John,

We are all living through challenging times at the moment. Currently, we are in a period of high and sustained inflation. Costs continue to rise at a rapid pace across our industry including materials, logistics, energy, and labor. Unfortunately, these factors make it necessary to increase product prices.

Therefore, FLEXcon will implement a general across-the-board increase between 6% and 7% effective September 6, 2022. Additionally, other select products may experience a different increase. Your Sales Representative will be available to answer any questions.

All orders placed prior to September 6, 2022 and released when ready based upon standard lead times will not be impacted.

As always, we greatly value your business and loyalty. We look forward to continuing to strengthen our relationship and partnering with you for continued growth.

Sincerely,

FLEXcon

A handwritten signature in black ink, appearing to read 'M. Keaney', written in a cursive style.

Michael Keaney
Head of Sales/Strategy/New Business Development

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