



June 23, 2021

Dear Valued Avery Dennison Customer,

Avery Dennison continues to strive for consistent supply and quality products to support your needs. We have been notified of an immediate shortage from our supplier on our 40#SCK and 50# SCK liners. This shortage affects [these products](#) within our pressure-sensitive business and is expected to last through July and intermittently throughout the remainder of the year. We have quickly secured alternate liner material and will begin to supply in early July. In order to keep your orders moving and our supply consistent, we will keep the same spec numbers.

We have included the liner data comparison table below for review. We believe these alternative materials are functionally equivalent. As always, we recommend that you test the material prior to use to determine suitability for your intended purpose.

40# SCK

	Current 40# SCK	New 40# SCK
Basis Weight - # per ream	39.9	40
Caliper - inches	2.36	2.4
Opacity - %	64	63

50# SCK

	Current 50# SCK	New 50# SCK
Basis Weight - # per ream	57.7	54.5
Caliper - inches	3.2	3.2
Opacity - %	70	70

Please note a slight density difference for the 50# SCK liner. Our technical support teams are available at your request.

We appreciate your understanding as these immediate changes are critical to maintain supply during this liner shortage. Our team is working hard to find resolution as soon as possible. We will continue to provide updates throughout this situation.

For any questions, please contact your Avery Dennison sales representative.

Sincerely,

Michael Welch
Avery Dennison Label & Packaging Materials
Senior Product Manager - Durables

Sent by Avery Dennison North America
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Re: July 2021, Maxcess RotoMetrics Pricing Actions

Since early 2020, Maxcess RotoMetrics has worked diligently to combat the growing inflationary pressures. Metal cost are at an all-time 3-year high with increases ranging from 10%-50% on most of the metals we procure for our product. Drivers to these increases are continued mill increase conversion pricing and continued domestic shortages. Additionally, packaging resins, lumber and shipping cost have seen substantial increases ranging from 25%-150%.

Due to these inflationary pressures, all orders taken after July 1, 2021 for Maxcess RotoMetrics products will be instituting a global price increase on the products noted below. The price increase reflects the material content and shipping / packaging increases we are taking by the product to offset this impact.

Product	Price Increase
Flex Die	1.0%
Solid Die	5.0%-6.0%
Gears (Standalone)	5.0%
Specialty Gears	5%-15%
Print Cylinders	8.0%
Magnetic Cylinders	1.5%
Repairs	5.0%
Non-RotoMetrics Product Repair	15.0%
Miscellaneous Rounds*	5.0%
Removable Blade Sheetters / Blade Replacements	20.0%

*Miscellaneous Rounds Include: Misc. Rolls, Support Rolls, Laminating Rolls, Idler Rolls, EZ Clean Stripping Roll, Embossing Die Blank and Nip Roll

We thank you for working with us during this difficult time and will continue to work strategically to limit inflationary pressure exposure to our valued customers.

If you should require any additional information or have any questions, please contact your local Maxcess RotoMetrics account representative.

Regards,

Nadine Powell
Maxcess Global Product Manager – RotoMetrics Products



June 14, 2021

As you may already know, the less-than-truckload (LTL) sector has been drastically affected by an unprecedented increase in volume. As a result, our LTL vendor FedEx is experiencing significant service disruptions in the U.S. We would like to share with you how this may be impacting our service to you

On Friday, June 11th, 2021, FedEx Freight made an announcement to the market that they will be immediately cutting service to about 1,400 LTL customers. This will be done to reduce terminal bottlenecks and shipping delays as unprecedented amounts of tonnage pour into the sector.

The good news is that FedEx Freight will continue to service all UPM Raflatac sites in the U.S. We will NOT be affected by this change, and your orders will still be delivered by FedEx.

However, we expect that the overall FedEx LTL service may be impacted further over future weeks and months. This may indirectly create disruption for you and delay timely deliveries. We are therefore taking immediate actions to diversify our LTL service options to continue to deliver in a timely manner in this extremely tight freight market.

Here is our recommendation on how you can mitigate your risk in the LTL network service:

When possible, we recommend you consolidate your orders with UPM Raflatac into single deliveries of 80,000 msi or more. This will allow us to deliver directly to your premises and circumvent the LTL network.

Please discuss with your Customer Service Representative if this is an option that you could consider.

At UPM Raflatac, we are committed to continuous transparent communication and will continue to keep you informed if there are further changes or service updates. We appreciate your collaboration and patience, and we apologize for any possible delivery disruptions impacting your business.

Sincerely,

Chris Mincher
Director Services, Terminals and Logistics
UPM Raflatac

June 22, 2021

Since the beginning of the year, our industry has experienced a high level of demand for label materials. We expect that demand will remain elevated for the foreseeable future. However, like us, you have likely faced severe volatility in the label material supply chain, created by shortages of raw materials and labor, as well as tightness in the freight sector.

Our teams have worked diligently to minimize the impact of these factors on our supply chain. In addition, we have and will further increase capacity, both in our coating and slitting operations across North America, with the goal to provide reliable service to you.

At the same time, we continue to face unprecedented cost inflation that extends beyond our stringent cost mitigation efforts and prior price adjustments:

- On the paper side, we experience ongoing cost increases driven by elevated pulp prices and increasing tightness in the supply markets for face materials and liners.
- Supply of film materials remains constrained, and costs continue to increase.
- Adhesive component costs remain elevated, despite prior projections that cost pressure would ease once the supply chains are rebuilt.
- The North American freight markets (both LTL and FTL) are extremely tight, and demand is exceeding available capacity leading to increase cost for freight.
- Costs for packaging material and pallets have increased more than 50% since February 2021.

As a result, we will adjust prices effective August 2nd, 2021, as follows:

- All label stock products will be adjusted 6%.
- Our freight rates will increase \$0.003 per MSI.

Your UPM Raflatac sales representative will contact you shortly to review, in greater detail, the price adjustments for the products you purchase from us. Our goal is to minimize the impact of this increase and to discuss potential actions that may mitigate the increase.

As always, we are grateful for your business. We remain committed to partnering with you to help you grow your label business.

Sincerely,



Tim Kirchen
Senior Vice President, Americas
UPM Raflatac