

**UPMRAFLATAC****UPMBIOFORE**  
**BEYOND FOSSILS** 

November 23, 2021

Dear Jean-Marc,

Since our last letter in September announcing price adjustments on our label stock materials, we have received many additional and firm cost increase notifications from our suppliers.

Demand for label stock continues to be at record levels. At the same time, we are seeing a serious, structural imbalance on paper based raw material supply into our industry.

Paper based raw material supply is constrained due to paper industry capacity closures in prior years as well as capacity conversions and allocation to non-label applications. This dynamic has resulted in a stark and enduring supply / demand imbalance and further cost escalation for paper face and liner materials.

In addition, we are seeing further cost increases for direct thermal papers raw materials driven by escalating cost for chemicals and thermal coatings.

Unfortunately, this leaves us no alternative but to implement a price adjustment of 7% on all paper faced materials effective for all shipments on or after January 3rd, 2022.

Your UPM Raflatac representative will contact you shortly to discuss in detail the price adjustment for your products.

We thank you for your partnership and trust!

Sincerely,



Tim Kirchen  
Senior Vice President, Americas  
UPM Raflatac