

hoffmaster GROUP, Inc.®

July 28, 2022

Dear Valued Customer,

Marketplace constraints and supply chain challenges continue to disrupt the foodservice industry. Hoffmaster, like other manufacturers, continues to see price escalation of key raw materials, logistic constraints, and inflation, despite our efforts to predict these headwinds.

Our raw material suppliers continue to pass along price increases with little notice as their production costs, freight, and wages hit record highs.

In response to these continued cost increases, effective September 1, 2022, Hoffmaster is announcing the following price increases on all orders received after September 1, 2022:

Airlaid	8%
All Other Products*	4%

As we have expressed in previous communications, we are looking at all aspects of our business to offset the increases we are also experiencing; however, we are unable to absorb all of it. Here are some actions we have already implemented:

- Seeking alternative sources of raw materials
- Identifying new substrates
- Carrying more inventory to improve order fill
- Investing in our supply chain to improve on-time delivery
- Increasing wages to draw more labor for production to meet demand and shorten lead times
- Providing more transparent and frequent communications to help you better plan

Thank you for your continued business and support. As your premium specialty disposables partner, we remain committed to providing valuable solutions to your business and transparency on the current cost environment.

Please contact your Hoffmaster customer service representative or salesperson with any questions.

Sincerely,



Jim Johnson
Vice President, Sales



Christina Klem
Vice President, Marketing

*The 4% price increase on "all other products" excludes our newly launched Linen-Like Natural® White products



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