

April 14, 2021

## Market Price Situation – All SOPREMA Products

To Our Valued Customers,

Recent data across the globe confirms the economy is starting to emerge from the worst of the COVID-19 pandemic. Consequently, it is increasingly apparent that the global supply chain is now struggling to maintain pace with this strong recovery. The increasing demand has been compounded by backlogs in ports around the world and the freezing weather in Texas in February. Since Texas is home to the largest petrochemical cluster in the world, the freeze resulted in shutdowns for many SOPREMA's suppliers.

Consequently, it is likely that there will be some challenges in meeting your needs this season, and you may experience extended lead times for some items. Our teams will make every effort to minimize this impact and provide clear and timely communications.

Along with these supply challenges, the cost of all raw materials has risen with unprecedented speed and severity. For a number of these raw materials, some companies are invoking force majeure, which results in quotas and limited access to supply. Other companies may eventually have to do the same in the future.

It is therefore necessary to apply consequent price increases to all SOPREMA products to mitigate the impact of this global supply chain challenge. Further price increases remain a possibility while supply chains are experiencing this volatility. Requests for longer-term quotes will include escalation clauses as a hedge against further increases in raw material costs.

Clearly, 2021 is going to bring many challenges, but we will do everything possible to smooth out the bumps in the road to recovery and continue to deliver the SOPREMA experience that you have come to expect.

**SOPREMA's priority is to obtain the supply necessary to support its customers in 2021.** Working together in these circumstances will require increased communication and



planning. Should you have any questions, please do not hesitate to contact your local representative.

Thank you for your continuing support. We are following the situation closely and will contact you if necessary.

Best regards,

Daniel Nadeau  
National Sales Vice-President  
SOPREMA