



February 26, 2021

Dear Valued Sabert Customer,

Polypropylene (PP) prices for February are estimated to settle at \$1.285, representing a \$.30/lb. or 30.5% increase over prior month (per I.H.S.). The Texas freeze led to a shut down on 90% of PP production and subsequent start-up issues are putting pressure on both price and availability of raw materials. Sabert continues to work diligently across multiple sourcing, manufacturing, and transportation work streams to avoid disruption of supply while we keep our workforce safe.

In order to offset these substantial resin increases, Sabert is announcing a 12% price increase on all PP (Polypropylene) products effective on April 1st, 2021. *Please note this price increase announcement is in addition to the 10% increase previously announced on 2/5/21 for effective date of 3/8/21.* The dramatic rise in in PP pricing since February 5th triggers this additional price increase.

Prices for all POD business will also increase on April 1, 2021 without exceptions. All other contractual terms business will have prices adjusted upon the next scheduled review period.

Orders placed before April 1, 2021 must be for immediate shipment and Sabert reserves the right to decline orders exceeding historical purchase quantities. Please contact your local Sabert sales representative if you have any questions.

We recognize multiple price increases over a short period of time is disruptive to your business however, in these unprecedented times we cannot delay in passing on these increases.

Thank you for your business and your continued support.

Sincerely,

A handwritten signature in cursive script that reads 'Brian Kennedy'.

Brian Kennedy

Vice President, Sales and Marketing Operations

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February 25, 2021

Dear Valued Sabert Customer,

We are reaching out to share what we know about the PP situation. As you know, this is a very dynamic situation and things are changing daily. Prior to the winter storms that froze the southeast, PP was already in a tight capacity situation, with demand exceeding supply. We have all seen the unprecedented monthly increases in PP, with February estimated to increase by \$.30 and settle at \$1.285/lb (IHS). The storms in February have exacerbated this situation. This was a historical event with 90% of all PP production shutdown. Enclosed is a list of chemical producing plant shutdowns and force majeure as of February 25th. We are learning that these plants are facing significant challenges with broken water pipes and inability to get nitrogen for safe start-ups. Also, feedstocks are not readily available for plant start-ups.

Although this situation is alarming and we are very concerned, we want to let you know Sabert is proactively engaging on many initiatives to avoid supply issues due to lack of resin. These include:

- Leveraging our global relationships with already approved suppliers
- Utilizing our strong inventory position of PP and moving resin intra-company to ensure all plants have PP resin to meet production schedules
- Nuvida, our recycling plant, is running at 100% capacity and continues to supply our plants with recycled PP

With successful chemical plant start-ups in March, we feel confident we will not experience resin shortages. We will keep you apprised if the situation changes.

The winter storms also had an adverse impact on the very tight freight market. As you know, the trucking industry continues to be severely impacted by the pandemic. Lack of drivers is a serious issue with no short-term solution. Freight costs are up 50-70% versus last year. This very tight capacity impacts on-time service levels of picking up and delivering shipments. The demand for trucks has nearly doubled since the beginning of the year. For every 9.6 loads there is 1 truck available (DAT Solutions).

Sabert is doing everything possible to minimize the impact of these severe conditions on your business, while also prioritizing the safety of our employees.

Thank you for your business and your continued support.


Kathleen C Deignan
SVP, Sales & Marketing