



February 23<sup>rd</sup>, 2021

**RE: General Price Increase**

Dear Valued Better Earth Partner,

Firstly, we hope you, your family, friends and business are all doing well. It goes without saying that 2020 was an unprecedented year. Our industry has faced tremendous challenges and adversity, but we are inspired by the stories of resilience and collaboration that have helped us all navigate these times.

As consumption patterns have changed in the pandemic era, significant pressure has been put on traditional supply chains. Manufacturers` of raw material, finished goods and logistics have all seen decreased efficiency and increased costs. As national governments have tried to support local economies, the dollar has lost approximately 8% in value. Transportation costs for ocean freight and intermodal have increased between 150-300%. As health and safety has become a key focus in all operations, businesses have seen large and unexpected cost increases while trying to find new ways to create efficiency. In addition to multiple cost increases, temporary exemptions on tariffs of bamboo substrates have been lifted and full tariffs of 25% are in effect as of January 1, 2021. Because of this a Force Majeure will go into effect on all bamboo items on March 23, 2021 for all current contracts.

Better Earth has experienced several price increases over the last year but resisted to pass this on to our partners. We are dedicated to supporting you in efficiently growing your sustainable products portfolio and maintaining your competitiveness in this fast-evolving marketplace. In order to continue our innovation efforts and provide you with the best-in-class customer service, we are no longer able to hold our current prices. Beginning March 23<sup>rd</sup>, 2021, we will be implementing a general market price increase. This will apply to all products in our offering, including our custom printed hinged container line. Accompanying this letter is your new market specific pricing.

We reserve the right to restrict order size to not exceed 110% of historical/current averages. Your local sales representative and/or a Better Sales member will follow up with further details on the roll out.

Please be on the lookout for exciting new products and services launching this year that will help you grow your market and maintain a competitive advantage. Thank you for your partnership and trust in Better Earth's safe sustainable foodservice packaging solutions.

Sincerely,

Michael L. Hicks  
Vice-President, National Sales