Memorandum
To: All Customers
From: Operations
Effective: 11/01/2026
Re: [Memo] Ocean Freight Update and Upcoming Price Adjustment

Dear Valued Customers,

We would like to share an important update regarding the current ocean freight and supply chain environment.

Based on the latest information from our overseas operations and logistics partners, **container availability for shipments from Asia to the United States is becoming increasingly limited**, while ocean freight costs have risen significantly. Currently, freight costs have reached nearly **$10,000 per container to the East Coast** and as high as **$8,000 per container to the West Coast**.

In addition, shipping companies have **reduced container capacity by nearly half**, creating increased competition for available shipping space. These conditions are expected to continue through the end of the year and may result in longer lead times and potential product availability challenges across the foodservice packaging industry.

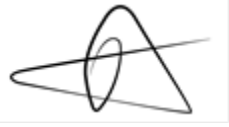
Due to rising freight costs and ongoing supply chain challenges, Karat Packaging will implement a 3% price increase on most products, effective November 1, 2026.

As market conditions continue to change, we encourage customers to **plan ahead and place orders early**, especially for high-volume or regularly used items, to help minimize potential supply disruptions.

Karat Packaging is closely monitoring ocean freight conditions and working with our supply chain teams to maintain product availability and support our customers during this period.

We sincerely appreciate your continued business and understanding. Please contact your Karat sales representative if you have any questions regarding pricing, product availability, or upcoming orders.

Best Regards,



Alan Yu
Chief Executive Officer
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