

From: SC Johnson Professional <scjmarketing@scj.com>

Sent: Thursday, July 2, 2020 4:22 PM

Subject: Price Increase Effective September 1, 2020



July 1, 2020

Dear Valued Customer,

At SC Johnson Professional, we value our customers and strive to always operate in a responsible manner. We make decisions with this in mind, including product pricing. While we have been able to maintain our pricing levels steady over the past 18 months, the current state of the markets has necessitated review of our pricing levels.

While working to meet the extraordinary increases in demand, our costs have risen due to factors including rising freight and distribution costs as well as key ingredient cost increases. We continue to make every effort to keep our costs down and remain committed to offsetting a significant portion of inflationary costs through continuous improvement projects. However, with demand for many of our products, and those across the industry, expected to continue to be high due to a heightened need for hygiene and disinfection, we have conducted a pricing review to enable us to continue to meet the needs of our customers.

As a result, we will be **adjusting prices across our skin care product line by an average of 3.5%, effective September 1, 2020**. Iconic Brand products are not impacted, and we have also kept the increase on our Refresh Foam Soaps (6x1L and 4x2L pack sizes) to a lower than average increase, to help support the need for frequent hand washing throughout this pandemic and beyond.

One significant increase we have seen is to one of our key ingredients, USP-grade ethanol. This raw material has been affected by drastic cost increases. For this reason, **the pricing for our alcohol-based sanitizer products has been significantly impacted**. However, we commit to reduce to the normal inflation rate if we see market pricing of ethanol dropping back to pre-pandemic levels. All Purchase Orders for InstantFOAM Complete™ products not shipped by September 1, 2020 will be updated to the new price or canceled upon your request to cs.proUS@scj.com. Implementation details will be communicated individually, at a later date.

We are also taking this opportunity to align our skincare dispenser and accessory pricing to your current tier pricing. Please refer to the attached price list for more details. As a reminder, customers are now assigned to a specific price tier based on how they choose to order products. To maintain tier pricing, orders must meet the minimum order values by tier as indicated below. Fill-in orders (below minimum order value and above \$500) can be available with prior approval.

Tier 1: \$10,000 minimum orders
Tier 2: \$7,500 minimum orders
Tier 3: \$5,000 minimum orders
Tier 4: \$3,000 minimum orders

Non-stock/custom dispensers (not included in the attached price list) require additional lead time and should be placed on a separate purchase order. Their pricing will follow the equivalent stock dispenser pricing as per attached price list depending on your price tier. For more information, please refer to our Custom Dispenser Policy and updated Terms and Conditions.

In order to avoid backorders and ensure adequate service levels, ordering will be limited to historical monthly averages. We reserve the right to limit quantities on illegitimate orders.

All orders received on or after **September 1, 2020** will be priced based on the new price list. If you need any help to update your internal price lists or product listing, please do not hesitate to send an Excel file to cs.proUS@scj.com.

Thank you for your continued support.

*****This announcement has limited distribution. Please be sure to share this information as appropriate within your organization.*****

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