



December 8, 2021

Dear Valued Customer,

Your business is important to us and we are writing to explain the reasons beyond our control that have created shortages of some of the Duro products that you depend upon.

Over the course of a number of years, supplies of virgin white paper have been on the decline. The trend began as the demand for printing, writing, and newsprint started to decline with the growth of digital media, and production has continued to decline at a rate of approximately ten percent year over year. At the same time, paper manufactures shifted towards producing paper to align with the increase in e-commerce and, in particular, the demand for cardboard boxes. As has been widely reported, the Covid-19 pandemic made conditions worse by increasing e-commerce and the need for corrugated packaging that is required to support the growth in deliveries.

In addition to the systemic shift in the traditional demand for virgin white paper, most recently and largely due to Covid suppliers have also experienced labor and related production problems that we read almost daily are hampering the manufacturing sector at large. We are in close communication with our paper suppliers and know that they are making every effort to meet demand. However, it will be difficult to make up for lost production when current operations remain below normal levels.

We realize that the shortfall presents a difficult situation for you, and we are working on finding additional supplies of paper to support our operations and your business. We ask that you remain flexible and, in the interim, consider alternate paper substrates to meet your packaging needs in the short term. This could temporarily provide you with bags even if they are not consistent with your brand.

If you are willing to consider alternative materials or have questions, please contact your Duro representative.

Sincerely,

Alex Niezyniecki
Duro Product Manager

Novolex Holdings, LLC, 101 East Carolina Avenue, Hartsville, South Carolina 29550

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