



June 10<sup>th</sup>, 2021

To Our Trusted Partners and Customers:

I write to you today with a restored sense of optimism and great hope for the coming months. The slow-down in our industry related to the Coronavirus is showing continued signs of improvement and the corresponding increase in vaccination levels and customer orders is a sure sign that we are in a recovery.

While celebrations are being planned again – graduations, weddings, birthdays, etc...the global shipping markets are continuing to experience challenges and soaring price increases as high as 50%. As reported on a regular basis in the news, shipping costs have been increasing steadily since the autumn of 2020, and the first half of 2021 has seen a new surge in prices across different freight rates and along major freight routes. The increase in costs are attributable to:

- Continued global imbalances pushing up prices
- Few alternatives to ocean freight
- An unbalanced recovery throughout 2021
- Reduced capacity due to cancelled port calls
- Port congestion and closures creating delays

Throughout 2020, and into 2021, we have been absorbing these increases on our warehouse stocked inventory and have been trying to minimize the impact on our customers. At this time, it is not possible for us to continue to bear the economic burden alone. **Effective June 21<sup>st</sup> 2021 we will begin charging a temporary freight surcharge on warehouse orders. This 10% charge will be assessed on any product that is procured by W Packaging overseas and purchased by our customers from our warehouses (Includes all warehouse locations; CA, TX, & MI warehouses).**

We will continue to monitor the market and keep you abreast of developments. We are hopeful this is a temporary measure that can be adjusted as markets improve and return to pre-pandemic pricing.

We appreciate your continued support of our business and continue to strive to meet our customer's needs.

Sincerely,

Bonnie Surber  
Operations Manager  
W Packaging, LLC