hoffmaster
Lapaco Division

Wednesday, April 15th, 2026

Dear Valued Customer,

Over the past years, we have worked diligently to manage costs and limit pricing actions wherever possible. However, the current operating environment has introduced sustained inflationary pressures across key components of our business:

- **Pulp & Paper Inputs:** Global pulp markets have experienced continued volatility, with benchmark pulp costs rising in the high single-digit range year-over-year, driven by supply constraints, mill curtailments, and energy costs.

- **Transportation & Logistics:** Domestic freight and fuel-related costs remain elevated, with ongoing volatility tied to diesel pricing and carrier capacity.

- **Labor & Manufacturing:** Wage inflation across manufacturing and distribution continues in the mid-to-high single-digit range, reflecting a tight labor market and increased operating costs.

- **Supply Chain & Materials:** Packaging inputs, chemicals, and other converting materials have seen sustained cost increases, compounded by global sourcing shifts on imported goods.

Despite aggressive internal cost controls and productivity initiatives, these cumulative pressures now require us to take the following pricing actions:

- **Average increase of 8%**, effective **June 15, 2026**

- Adjustments will vary by product based on specific cost impacts

- Applies to all orders received on or after the effective date

- Orders outside of normal purchasing patterns may be refused

- All contracts will be adjusted accordingly when the current contracts expire

We remain focused on delivering consistent quality and service, investing in innovation and partnering with you to manage cost and drive value.

We appreciate your understanding as we navigate these market conditions together. Your sales representative is available to discuss any questions or provide additional details.

Sincerely,

Steve Paquin
Vice President – General Manager

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