

## Shortage of raw material affects the entire label industry

We would like to inform you about the current shortage of labelling material that is currently affecting the entire label industry. A strong demand from multiple sectors, shortage of materials, a critical lack of components, and strained market prices have been industry challenges for a long time, but a strike in Finland at the paper manufacturer [UPM](#) is hitting the industry extra hard. The strike has been ongoing since 1/1 2022 and is extended to 14/5 2022. As UPM being one of the world's largest manufacturers of base material for the label industry, the strike is hitting hard not only on the Swedish label industry, but on the entire European label industry.

[FINAT](#), the European co-operation organization for label manufacturers, predicts that the strike will result in longer delivery times that might extend as far as the whole year.

At Nordvalls we are doing everything in our power to shorten lead times and mitigate the effects of the strike for our customers. It is an extraordinary and unforeseen situation that is beyond our control to influence, hence Nordvalls Force Majeure invokes in cases where it will be needed. We work hard on the material issue together with all our suppliers and will continue to inform you about the development.

### For a manageable situation going forward:

- We will not be able to move orders to an earlier delivery date until further notice.
- We are restrictive in bringing in new customers as long as there is a shortage of raw material.
- We prioritize direct orders to allocate materials to and see no opportunity to “hold” larger quantities for our customers.
- We prioritize materials for our existing customers operating in industries in the following order:
  1. Pharmaceutical customers
  2. Food customers with fresh groceries
  3. Logistics customers
  4. Other customers

We would like to thank you in advance for your patience and understanding, if you have any questions regarding your specific order, please contact your main contact person.

**Nordvalls Etikett AB**