

McCourt LABEL

Solutions That Stick!



Industry Update: Continued Supply Constraints & Delays

McCourt is sending this industry update to inform our customers that supply constraints and material delays, along with cost inflation for material and freight, persists in the labeling market. In addition, due to skyrocketing demand, raw material and freight delivery systems in the label industry continue to be overloaded, resulting in further extended lead times. According to communications from our suppliers, these volatile conditions will endure for the remainder of the year and possibly into 2023. With the end of the strike in Finland, we had hoped that the industry would begin to see shortening lead times and more stability in supply, but that has not been the case. However, we do anticipate starting to see some shipments in August on products that have been on hold waiting for the Finnish plant to get back up and running. It will be some time before we see everything get caught up.

We are urging all our customers to take stock of their label supplies and requirements and continue to order well in advance to prevent supply shortages. We are seeing lead times as far as out as 18-20 weeks for certain items, making it difficult to adhere to rush requests. Some factors affecting lead time and cost inflation include:

- There are continued supply imbalances for facestock and liner materials, further tightening supply. This imbalance serves to increase material delays and costs.
- Drastic increases in energy and oil prices worldwide have prompted suppliers of label component materials to raise prices, which in turn increases their prices to us.
- Freight carriers have also raised prices with their industry facing increased fuel costs as well as capacity issues.

We continue to strive to meet our customers' needs, even though we find our industry in uncharted territory. Late arrivals on materials continue to disrupt our scheduling and job planning process. We have expanded internal capacity with overtime and continue to have daily meetings to review and map our production lineup, making changes wherever necessary. We have been sending out samples of alternate products to test when able, and having more than one facestock or adhesive sourced can be very beneficial right now. In addition to overtime, we have also hired additional personnel and are doing our best to increase our inventory levels of commonly used materials.

We are extremely grateful for your business and for the trust you place in us during these uncertain times. McCourt will continue to keep you abreast of industry news and updates as they become available to us. If you

McCourt LABEL

Solutions That Stick!

Increase Sustainability with Plant-Based Film

As an ISO 14001:2015 company, McCourt has been receiving much interest in label materials and constructions that can help our customers realize their sustainability and environmental goals. In addition to improving environmental health, there are numerous incentives for companies to incorporate sustainability into their business practices, including customer loyalty, cost savings and compliance with governmental regulations.



[UPM Raflatac's Forest Film](#) is one of the wide range of labeling materials that will help your company achieve its sustainability goals while propelling your products beyond the competition. Forest Film is a sustainable alternative to standard fossil-based materials. Made from wood waste pulp, Forest Film can be combined with multi-purpose adhesives to create labels that are ideal for a range of labeling applications.

Here are some benefits of this material:

- ISCC-certified: helps companies reduce their carbon footprint
- Originates from sustainably managed forests
- Quality and performance rivals that of fossil-based films
- Offered on FSC-certified liner
- Pair with wash-off adhesive to maximize recyclability
- Available in white or clear

Contact our sustainability experts for more information on how McCourt can help your company reach its environmental goals!

Source: UPM Raflatac

Independence Day Closing

This notice is to inform you that McCourt Label will be closed on **Monday, July 4th, 2022** in observance of Independence Day. We will reopen for business on Tuesday, July 5th. Please keep this closing in mind, as it may affect order processing and shipment times. Also note, shipping companies' holiday schedules may differ from that of McCourt.

From the McCourt Team, have a safe and happy holiday!

